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COMMISSION STAFF WORKING DOCUMENT

The early warning report for Finland

Accompanying the document

Report From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions

identifying Member States at risk of not meeting the 2025 preparing for re-use and recycling target for municipal waste, the 2025 recycling target for packaging waste and the 2035 municipal waste landfilling reduction target

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1. Introduction

The early warning report aims to assist Member States at risk of failing to meet: (i) the 2025 target of 55% for the preparing for re-use and the recycling of their municipal waste (this target is set out in Article 11(2)(c) of Directive 2008/98/EC); and (ii) the 2025 target of 65% for the recycling of their packaging waste (this target is set out in Article 6(1)(f) of Directive 1994/62/EC). It also provides an update on how Member States are performing against the 2035 target to send no more than 10% of their municipal waste to landfill (this target is set out in Article 5(5) Directive 1999/31/EC).

This report builds on previous support provided by the Commission to help Member States comply with EU law on municipal waste management, including, where relevant, the early warning report from 2018¹.

The assessment underpinning the early warning report identified 18 Member States at risk of missing the 2025 preparing for re-use and recycling target for municipal waste, 10 of which are also at risk of missing the 2025 recycling target for all packaging waste.

This assessment is based on a collaborative and transparent process involving the Member States concerned, the European Environment Agency², and an in-depth analysis of the most recent policy developments in the Member States. This process also involved extensive consultation with the Member State authorities in charge of waste management. The possible actions identified during this process are based on existing best practices and aim to help Member States meet the 2025 targets, and as such they focus on policy measures which can be taken in the short term. These actions should be seen as complementary to those recommended in the roadmaps which were drawn up as part of preceding compliance-promotion activities and to those recommended in the Environmental Implementation Review³.

2. Key findings

Based on an analysis of existing and firmly planned policies in the area of waste, Finland is considered to be at risk of missing the 2025 target of 55% for the preparing for re-use and the recycling of its municipal waste.

For 2020, the municipal waste recycling rate reported by Finland was 41.6%, which is 13.4 percentage points below the target of 55%. The upcoming application of the new calculation rules for municipal waste recycling⁴ might also result in a lower recycling rate. The recycling rate has remained stable over the past 5 years (from 2016 to 2020). 28% of Finland's generated municipal waste undergoes material recycling (dry recyclables), and 13% is treated in anaerobic digestion plants or composting plants (biowaste). Although hardly any municipal waste is directed to landfills (the landfill rate was less than 1% in 2020), most of it is directed to incineration plants, implying a strong reliance on this treatment (Finland's 58% incineration rate for municipal waste was about twice the EU average in 2020).

On packaging waste, Finland reported a recycling rate of 70.6% in 2019, 5.6 percentage points above the 2025 target for 65% of all packaging waste to be recycled. In 2020 the recycling rates for all waste packaging was 73.2% (with the application of the new calculation rules⁵). However, Finland is considered at risk of missing the target to recycle 50% of its plastic packaging. Although the recycling rate for plastic packaging waste has

¹ An early-warning report was issued for Finland in 2018 (SWD(2018) 417 final). A total of 12 recommendations were provided. According to the Finnish authorities, 6 of the report's recommendations are considered implemented and 6 partially implemented.

² EEA and ETC/CE (2022). Early Warning Assessment Related to the 2025 Targets for Municipal and Packaging Waste (<https://www.eea.europa.eu/publications/country-profiles-early-warning-assessments>)

³ European Commission (2022). Environmental Implementation Review 2022. COM/2022/438 final. (https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=comnat%3ACOM_2022_0438_FIN)

⁴ Commission Implementing Decision (EU) 2019/1004.

⁵ According to Commission Implementing Decision 2019/665.

increased by almost 15% during the past 5 years (from 2016 to 2020), the reported recycling rate for plastic packaging was only 39.4% in 2020.

It is acknowledged that Finland has recently put in place several actions to address the situation and achieve the targets. Recycling rates for all packaging waste streams show an increase in the period 2015-2019 (before dropping in 2020). For municipal waste however, a stagnating recycling rate indicates that this has not yet resulted in measurable effects, since the implementation of measures across the country will take a few years. Therefore, improvements are still needed to reach all 2025 targets. Low recycling rates are mainly due to:

- low capture rates of separately collected recyclables (based on the residual waste composition and the amounts of separately collected waste, it is found that the capture rates are particularly low for plastic waste and biowaste);
- the fact that waste incineration remains the predominant form of waste treatment in Finland.

3. Key recommendations

Among the measures deemed necessary to support Finland's efforts to improve its performance in waste management, three main recommendations are listed below.

1. Support preparing for re-use of municipal waste and re-use systems for packaging
2. Raise the frequency and/or convenience of separate collection, notably of plastic packaging and biowaste.
3. Maintain and extend awareness-raising programmes that target waste prevention and greater separation of waste at the source, in particular for plastic packaging and biowaste.
4. Implement economic instruments to direct recyclables away from waste incineration towards the higher steps of the waste hierarchy.

The table below lists a number of possible actions to support Finland's efforts to improve its performance in waste management.

4. Good practices

The following measures implemented by Finland are considered good practices that could be replicated and that could help Member States to achieve the targets.

- Deposit-refund scheme for beverage packaging – The deposit-refund scheme covers a broad spectrum of different containers used for non-alcoholic drinks, alcoholic drinks, and all main packaging materials except for liquid packaging board. The great convenience of the scheme has led to high return rates (aluminium cans: 96%; plastic bottles: 92 %; reusable glass bottles: 88%; other glass bottles: 97%). Although the deposit-refund scheme is voluntary in Finland, it covers almost all beverage packaging. By joining a deposit system, beverage manufacturers and importers are exempted from the beverage-packaging tax (EUR 0.51 per litre), but still fulfil their extended producer responsibilities. This generates a strong economic incentive for joining the scheme^{6,7}.
- System to reuse wooden pallets – Reuse and recycling companies buy used wood pallets, check them, sort them, and repair them if needed using robotics. They then sell them to further the reuse of the pallet. The incentive for customers to return and reuse pallets is the significantly lower price of renting the pallets from providers rather than buying them. The service provider rents out the pallets and takes care of their repair and reconditioning. The service covers the entire country⁸.

⁶ <https://www.ely-keskus.fi/web/tuottajavastuu/yritykselle>.

⁷ <https://www.palpa.fi/beverage-container-recycling/deposit-refund-system/>.

⁸ <https://www.lt.fi/yritysiasiakkaat/palvelut/kierratyspalvelut-ja-jatehuolto/kuormalavapalvelut>.

OVERVIEW OF POSSIBLE ACTIONS TO IMPROVE RECYCLING PERFORMANCE

Governance

- 1) Set mandatory objectives or indicators for separate waste collection at the level of the bodies in charge of the collection of municipal waste (e.g. municipalities) in order to monitor, enforce and achieve higher capture rates. This could be complemented with a system of financial rewards and penalties dependant on the performance of the bodies on those targets. Information on the performance of municipalities could also be made available to the general public to raise awareness (e.g. by publishing on a website).

Prevention

- 2) Take measures to increase re-use and to prevent the generation of non-recyclable municipal waste.

Separate collection

- 3) Implement separate collection of biowaste and dry recyclables across the country, including in rural areas. This will help to increase the capture rate, quality and convenience of separate collection of recyclable waste streams (especially biowaste and plastic packaging waste).

Waste treatment

- 4) Support preparing for re-use of municipal waste and develop waste-treatment infrastructure in a way that focuses on the higher steps of the waste hierarchy. Firm plans and concrete actions are needed, such as supplementing centralised biowaste treatment with decentralised composting solutions such as home composting and community composting.

Communication and awareness raising

- 5) Maintain and strengthen awareness-raising activities specifically tailored to different target groups (e.g. households, commercial waste generators, schoolteachers and students) to increase participation in separate collection. These activities are especially important to support the rolling out of new separate-collection services. Awareness-raising activities should also have a special focus on biowaste and home composting.

Extended producer responsibility and economic instruments

- 6) Implement economic instruments (e.g. taxes, or application of Emission Trading Scheme rules for incineration) to incentivise waste management associated with the higher steps of the waste hierarchy. This will help to make reuse, preparation for reuse, and recycling economically attractive, and will reduce dependency on waste incineration. The economic incentive should be designed and sufficiently large to be effective and steer waste management up the waste hierarchy. For example, it could include a weight-based pay-as-you-throw system for households.
- 7) Stepping up efforts to establish reuse systems for packaging will bring environmental benefits and help Member States in complying with the EU packaging recycling targets.