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The early warning report for Estonia

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 the analysis of collected data and of existing policies in the area of waste management, Estonia is at risk of missing the 2025 target of 55% for the preparing for re-use and the recycling of its municipal waste.

In 2019, municipal waste generation in Estonia (369 kg/person) was significantly below the EU average (504 kg/person). However, packaging waste generation was only slightly below the EU average (158 kg/person vs 174 kg/person). This low figure may be an indication that some quantities of generated municipal waste are not reported.

In 2020, Estonia's recycling rate for municipal waste was 28.9% (which is about 26 percentage points below the 2025 target). Only a very small share is used for composting (3% in 2020). The situation is of concern primarily due to trends in municipal waste recycling, which did not show significant progress in 5 years (from 28.1% in 2016 to 28.9% in 2020). In 2020 Estonia's landfill rate was 14.7%, which is lower than the EU average. This is mainly because a high share of waste is used for energy recovery (43% in 2020) rather than being recycled.

There is an overcapacity of mechanical biological treatment plants and waste incineration facilities for energy recovery, which has helped to divert waste from landfilling, but keeps municipal recycling at a low rate.

¹ An early warning report was issued for Estonia in 2018 (SWD(2018) 416 final), which contained 10 recommendations. According to Estonian authorities, 1 of the recommendations is considered to be implemented, 5 partially implemented and 4 not 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)

Concerning biowaste, Estonia suffers from an inadequate separate collection system and uneven capacity in the different regions for treating this key waste stream.

In 2019, the recycling rate for all packaging reached 66.2%, which already exceeds the 2025 target (65%); in 2020, the recycling rate further increased to 71.4%. This is partly due a deposit-refund scheme for beverage packaging that has been place since 2005.

Significant additional improvements are needed to bring Estonian waste management in line with the EU's waste hierarchy. Some of the main challenges facing waste management in the country include:

- overcapacity of residual waste treatment facilities (mechanical biological treatment and waste-to-energy facilities), leading to lock-in effects and reduced incentives to improve separate collection and recycling;
- low separate collection and treatment rates for household biowaste;
- limited economic incentives to households for separate collection (e.g. pay-as-you-throw is implemented in different ways) and no mandatory separate collection targets for municipalities;
- data quality issues related to discrepancies between local and national reporting.

3. Key recommendations

Among the measures deemed necessary to support Estonia'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. Consider making municipalities and larger territorial units responsible for meeting mandatory targets for separate collection. This could be complemented with financial rewards for those municipalities that achieve the targets and/or financial penalties for those that do not achieve them.
3. Consider introducing a tax on incinerating mixed municipal waste.
4. Provide clear guidance to municipalities on using pay-as-you-throw schemes, which are designed to give strong incentives to the public to separate waste for collection.

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

4. Good practices

The following measures implemented by Estonia are considered good practices that could be replicated and that could help Member States achieve the above-mentioned targets.

Real-time digital data collection system – A new waste data collection and traceability system will be launched in 2025⁴. The system will let companies directly send waste data sets electronically to national government authorities. This will reduce the administrative burden on businesses and could support enforcement through more reliable checks on waste management data. It is also expected to support enforcement and policy development at ministry level. The system will also make it easier to communicate on waste management performance to the general public.

National study on key waste management issues and solutions – Following the 2018 early warning report, Estonia applied for and received financial support from the EU's structural reform support programme to conduct a comprehensive analysis of its waste management system. The project was carried out by the World Bank in 2020-2021, and the results are now serving as a blueprint for policy action.

⁴ <https://www.realtimееconomy-bsr.eu/>.

OVERVIEW OF POSSIBLE ACTIONS TO IMPROVE PERFORMANCE

Governance

- 1) Set mandatory indicators and targets for separate waste collection to be achieved by 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 against the targets. Information on the performance of municipalities could also be made available to the general public to raise awareness (e.g. on a website).
- 2) Consider allowing municipalities to collect at least part of the waste management tax proceeds. The funds could be used to organise effective separate collection systems for different waste streams, set up civic amenity sites and clean litter.
- 3) Address data quality issues by aligning municipal and national reporting and improving how recycling rates are calculated.

Prevention

- 4) Take measures to increase re-use and to prevent the generation of non-recyclable municipal waste
- 5) Swiftly revise the Waste Prevention Programme as part of the Waste Management Plan, to ensure an efficient and updated waste prevention strategy. Foster coordination between the central and the local government to advance on waste prevention. Properly monitor implementation of waste prevention measures and ensure sufficient budget is allocated for such measures.

Separate collection

- 6) Improve separate collection of waste, in particular of biowaste. Adopt minimum collection frequencies for residual waste and biowaste to ensure hygiene and sanitary standards.

Waste treatment

- 7) Support preparing for reuse 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.
- 8) Develop waste treatment infrastructure associated with the higher steps of the waste hierarchy. Firm plans and concrete action are needed, such as supporting home composting and increasing the capacity to treat biowaste to fully cover generated biowaste. Measures could include providing more effective incentives to private operators to set up new biowaste treatment plants and introducing public-private partnerships and financial support through EU funding.

Communication and awareness-raising

- 9) Carry out awareness-raising campaigns specifically tailored to different target groups (e.g. households, commercial waste generators, schoolteachers and students) to increase participation in separate collection. A set of national communication materials should be developed that: (i) are addressed to the general public, farmers, and pupils for use at local level; (ii) have clear and consistent messages; and (iii) have a particular focus on biowaste, home composting and sound management of waste (e.g. sorting).

Extended producer responsibility and economic instruments

- 10)** To achieve high capture rates of recyclable waste, draw up clear guidance for municipalities on pay-as-you-throw schemes and on designing incentive mechanisms that strongly encourage the public to sort their waste.
- 11)** Implement economic instruments (e.g. taxes on incineration of a sufficient magnitude or applying Emissions Trading Scheme rules on incineration) to incentivise waste management associated with the higher steps of the waste hierarchy. This will help to make re-use, preparation for re-use and recycling economically attractive and reduce dependency on waste incineration. The economic incentive should be designed and sufficiently large to develop a 'steering effect'.
- 12)** Stepping up efforts to establish re-use systems for packaging will bring environmental benefits and help Member States in complying with the EU packaging recycling targets.