European Water Regulators

3rd Workshop on the Economic Regulation of Municipal Waste

“Extended Producers Responsibility Schemes in Europe” - Latvia

9 April 2025

Supervised institution

State Environmental Service
Republic of Latvia

The State Environmental Service supervises and controls the waste producers and EPR operators involved in EPR schemes.

The key aspects of the supervision are as follows:

- Does the waste producer account for EPR products correctly?
- Does the waste producer correctly report the products placed on the market?
- Have EPR managers created and implemented EPR systems in accordance with regulatory requirements, and obtained the necessary permits?
- Does the EPR manager maintain valid financial security?
- Do the reports provided by the EPR manager on the implementation of the EPR system comply with regulatory requirements, and is the data justified?
- Does the EPR manager manage EPR products in accordance with regulatory acts on waste management?

Ministry of Climate and Energy
Republic of Latvia

Supervised company

LVĢMC

Latvian Environment, Geology and Meteorology Centre

One of the tasks - provides a system for the annual reporting of pollutant data and ensures public access to the information.

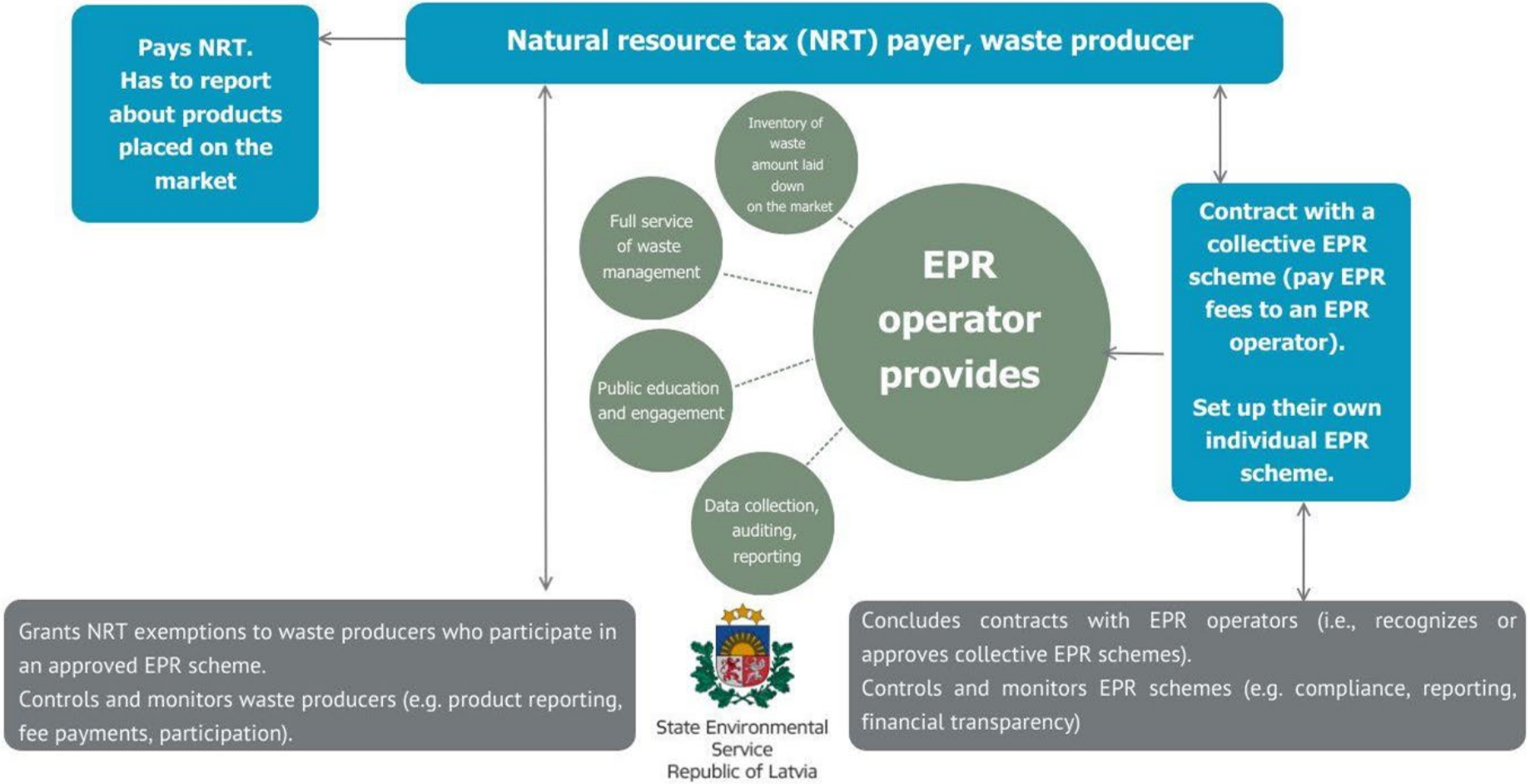
The Public Utilities Commission of Latvia

Independent institution

Applies only to the deposit system.

- PUC approves participation fees (EPR fees) for each packaging type.
- PUC examinates discrepancies on the deposit packaging management fee.

EPR role overview



The waste streams covered by the national EPR schemes

- Environmentally harmful goods (batteries, accumulators, oils, used tires) (4 EPR operators)
- Environmentally harmful goods (electronic equipment and devices) (3 EPR operators)
- Used packaging and single use tableware and accessories (4 EPR operators)
- All types of vehicles (1 EPR operator)
- **Beverage deposit packaging (1 EPR operator, regulated EPR sheme)**
- Products containing plastic (2 EPR operators)
- Textile products (3 EPR operators)
- Since 2025 Electronic cigarettes (1 EPR operator)

Legal bases for EPR schemes

Waste Management Law

Packaging Law

Natural Resources Tax Law

The procedure for applying financial security to waste management activities (Minister Cabinet Regulation No.134)

Regulated EPR scheme

- Regulations Regarding the Operation of the Deposit System (Minister Cabinet Regulation No.519)
- Law On Regulators of Public Utilities
- Regulations Regarding Types of Regulated Public Utilities (Minister Cabinet Regulation No.1227)

Decisions of the Board of the Public Utilities Commission:

- Methodology for the Calculation of the Deposit System Participation Fee;
- Regulations Regarding the General Authorisation, Registration, and Submission of Information in the Deposit Packaging Management Sector;
- Regulations Regarding the Examination of the Discrepancies on the Deposit Packaging Management Fee.

Market based EPR scheme

- Law on the Reduction of Consumption of Products Containing Plastic
- Regulations on the establishment and application of the producer's extended responsibility system for products containing plastic (Minister Cabinet Regulation No.781)
- Regulations on the percentage of recovery of used packaging, registration and reporting procedures and examples of application of packaging definition criteria (Minister Cabinet Regulation No.83)
- Regulations Regarding the Application of Exemption from Payment of the Natural Resources Tax for Packaging and Disposable Tableware and Accessories (Minister Cabinet Regulation No. 480)
- Procedures for Exempting From Payment of the Natural Resources Tax for Goods Harmful to the Environment (Minister Cabinet Regulation No. 64)
- Regulations for applying natural resource tax to vehicles (Minister Cabinet Regulation No.361)
- Regulations on the establishment and application of the producer's extended responsibility system for textile products (Minister Cabinet Regulation No. 359)

Financial framework of the EPR schemes in the municipal waste management

EPR operator

EPR operators are required to use municipal collection arrangements and to support their further development through contracts for separate waste collection services with municipalities.

The EPR manager makes payments to municipal waste operators, municipalities, or retailers for the following:

- waste collection infrastructure (e.g. waste collection points, civic amenity sites, mobile acceptance points, etc.);
- preparation of materials for recycling and reuse;
- take-back schemes at retail locations, maintenance workshops, and repair shops.

EPR waste streams in the municipal waste management system

- Batteries, chargers, oils, used tires
- Electronic equipment and devices
- Used packaging and single use tableware and accessories
- Textile products

Waste producer/EPR product user

Waste Management Law

Section 39. (1) **The fee for unsorted municipal waste management** (except for municipal waste recovery) for the initial producer or holder of waste shall consist of:

1) the fee for the municipal waste management approved in the decision of the local government which includes all costs of the collection, transport, reloading and sorting of unsorted and **separately collected waste** and other activities therewith specified in the laws and regulation that are taken before the waste recovery and that reduce the amount of waste to be disposed, fee for the storage and the establishment and maintenance of the infrastructure objects necessary for such activities…;

2) the fee for unsorted municipal waste processing according to **the tariff approved by PUC.**

Methodological principles for the calculation of EPR fees

Regulated EPR system

All information on historical participation fees, the costs and revenues forming the basis of the participation fees, as well as the operator's annual reports, is available on the PUC website.

Methodology for the Calculation of the Deposit System Participation Fee (EPR fee).

- The merchant shall calculate the draft participation fee **in euros for one deposit packaging unit placed on the market according to the type of a packaging material and the terms of use**.
- The merchant shall include only such technologically and economically justified costs which are required for efficient provision of the deposit system service.
- The merchant shall reduce the costs required for the provision of the deposit system service for the revenues.

Market based EPR system

Public information is not available.

Latvia does not apply advanced fee modulation in the EPR scheme.

The transparent compliance of the EPR operator is verified by an independent auditor, who ensures that the reports of the waste producer and the EPR operator are accurate, and the accounting data is organized in accordance with accounting legislation.

An average EPR fee per material (by weight) or product type is calculated based on measurable costs, including collection, infrastructure maintenance, sorting and treatment/recycling, administrative expenses, communication activities, financial security provisions, and a 10% risk margin.

Total waste amount covered by EPR schemes

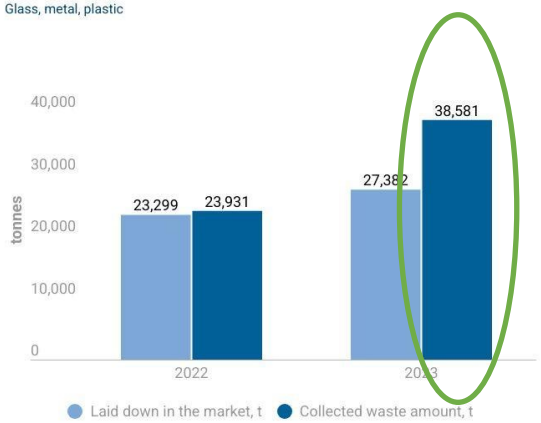
Packaging

Glass, metal, paper, plastic, wood

Source: The State Environmental Service

Deposit system (since 01.02.2022)

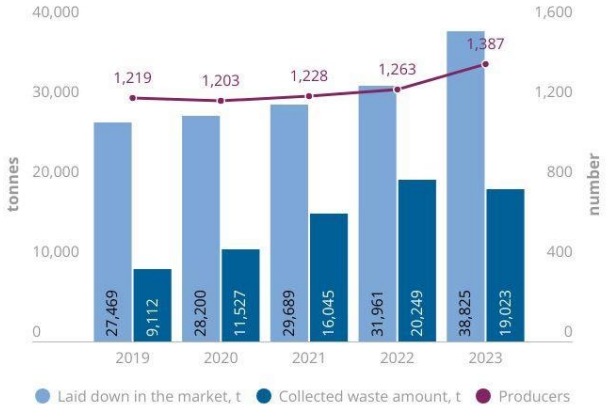
Glass, metal, plastic



* Including reused glass packaging amount

Source: The State Environmental Service

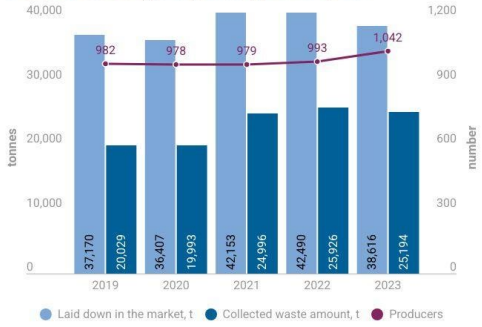
Electrical and electronic equipment



Source: The State Environmental Service

Environmentally harmful goods

Lead-acid batteries, electric batteries (Fe-Ni), electric batteries (Ni-Cd), galvanic cells and galvanic batteries, other electric batteries, all types of tires, lubricating oils, oil filters, electric batteries for storing power generated by photovoltaic panels

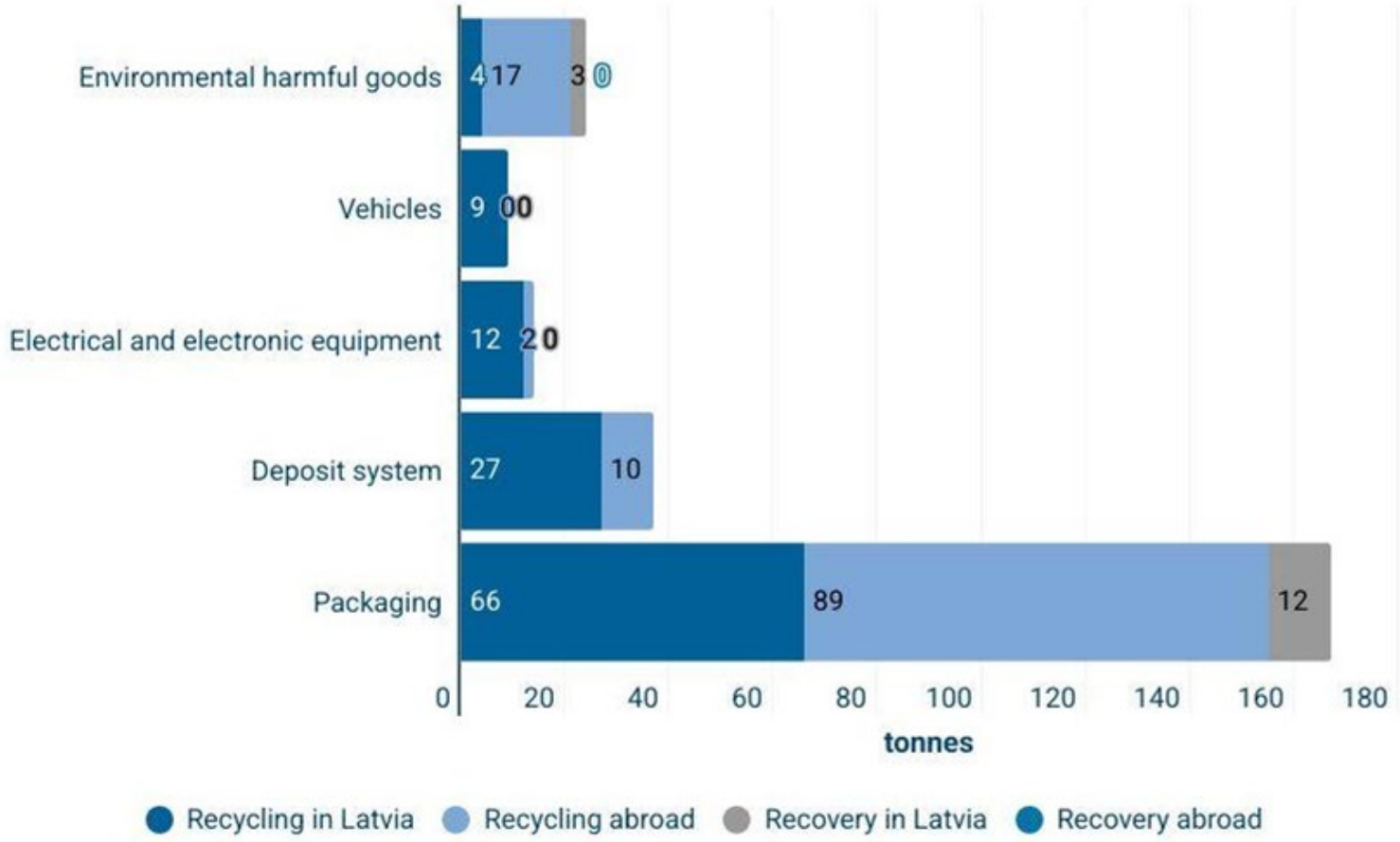


Source: The State Environmental Service

Vehicles

Source: The State Environmental Service

EPR waste recycling and recovery in 2023



Source: The State Environmental Service, presentations:14.01.2025 and 27.02.2025

EPR schemes' actual costs for tonnes placed on the market

Regulated EPR scheme

2022

23 299
Deposit system, t

596,18
Costs per tonne (excl. revenue), EUR/t

175,38
Costs per tonne (incl. revenue), EUR/t

7,41
Costs per capita (excl. revenue), EUR/capita

2,18
Costs per capita (incl. revenue), EUR/capita

2023

27 382
Deposit system, t

814,88
Costs per tonne (excl. revenues), EUR/t

61,46
Costs per tonne (incl. revenue), EUR/t

11,85
Costs per capita (excl. revenue), EUR/capita

0,89
Costs per capita (incl. revenue), EUR/capita

Market based EPR scheme

2023

38 616
Environmentally harmful goods, t

151,67
Costs per tonne (excl. revenue), EUR/t

3,11
Costs per capita (excl.revenue), EUR/capita

2023

35 344
Vehicles,t

59,41*
Costs per tonne (excl. revenue), EUR/t

1,12
Costs per capita (excl.revenue), EUR/capita

2023

234 924
Packaging, t

66,59
Costs per tonne (excl.revenue), EUR/t

8,31
Costs per capita (excl. revenue), EUR/capita

2023

38 825
Electrical and electronic equipment, t

122,21
Costs per tonne (excl.revenue), EUR/t

2,52
Costs per capita (excl.revenue), EUR/capita

* EPR system's implementation planed costs

Since June 2021, the EPR operator is obliged to submit an annual financial report on the costs of the EPR system to the State Environmental Service

Source: The State Environmental Service, presentations 14.01.2025 and 27.02.2025

Considerations

Should there be.

- Publicly available information on EPR fees (at least average, minimum, and maximum values), the calculation methodology, and actual incurred costs?
- A common methodology and calculation approach for EPR fees across EU Member States?
- Clarification to ensure that EPR scheme costs are not being covered through other municipal waste management service fees (to avoid consumers paying twice for the management of EPR-related products)?

How to assess the cost-effectiveness of an EPR scheme.

- Total Net Costs: Includes all costs (collection, sorting, processing, disposal, administrative, and compliance) minus revenue from recycling sales.
- Total Gross Costs: Similar to net costs but excludes any revenue from recycling, focusing strictly on expenditures.
- Costs per Managed tonne: Total costs divided by the amount of waste effectively processed under the EPR scheme, reflecting efficiency in waste management.
- Costs for tonnes Placed on the Market: Calculates the cost per tonne of products put on the market. For reusable goods, only the first rotation is considered (e.g., reusable glass packaging).
- Costs per Capita: Measures the cost of the EPR scheme per person, giving a sense of the financial impact on the general population.
- Costs per unit: Calculates the cost per unit put on the market.

WAREG

European Water Regulators