WAREG
European Water Regulators

3rd Workshop on the Economic Regulation of Municipal Waste

"EPR Schemes in Portugal – Lessons learned and insights to further development"

9th April 2025

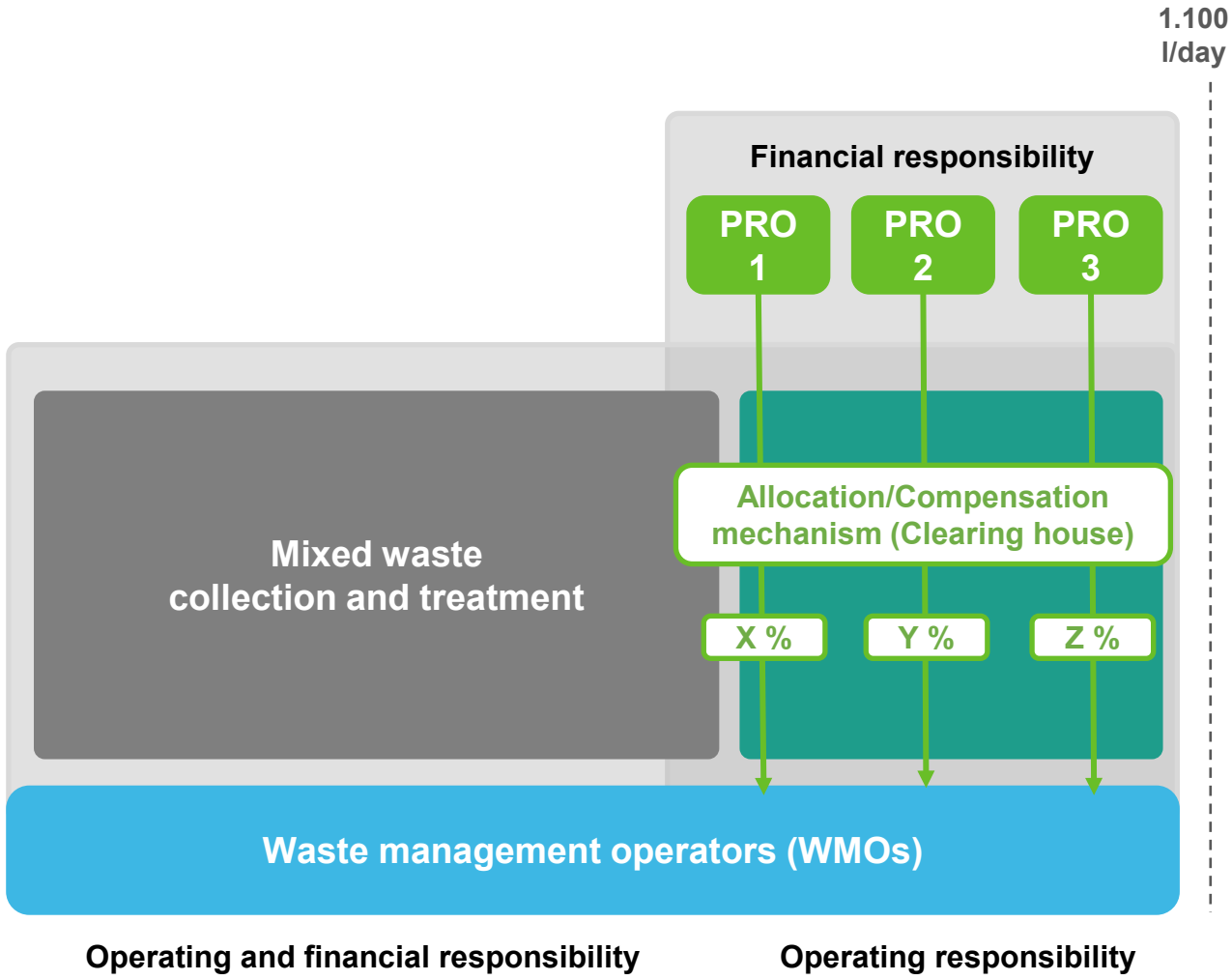
EPR schemes in Portugal

- Packaging
- Mineral oils
- Tires
- EEEs
- Batteries and accumulators
- Vehicles
- 2025 Tobacco products (SUP)
- 2026 Furniture & mattresses
- 2026 Health self care

Most relevant EPR waste stream

- Approx. 30% of urban waste
- Different financial implementation above/below waste volume generation threshold
- Multiple PROs but none with operating responsibility
- DRS will be a “spin-off” of plastic and aluminum quantities from packaging EPR scheme (in operation by ’26)

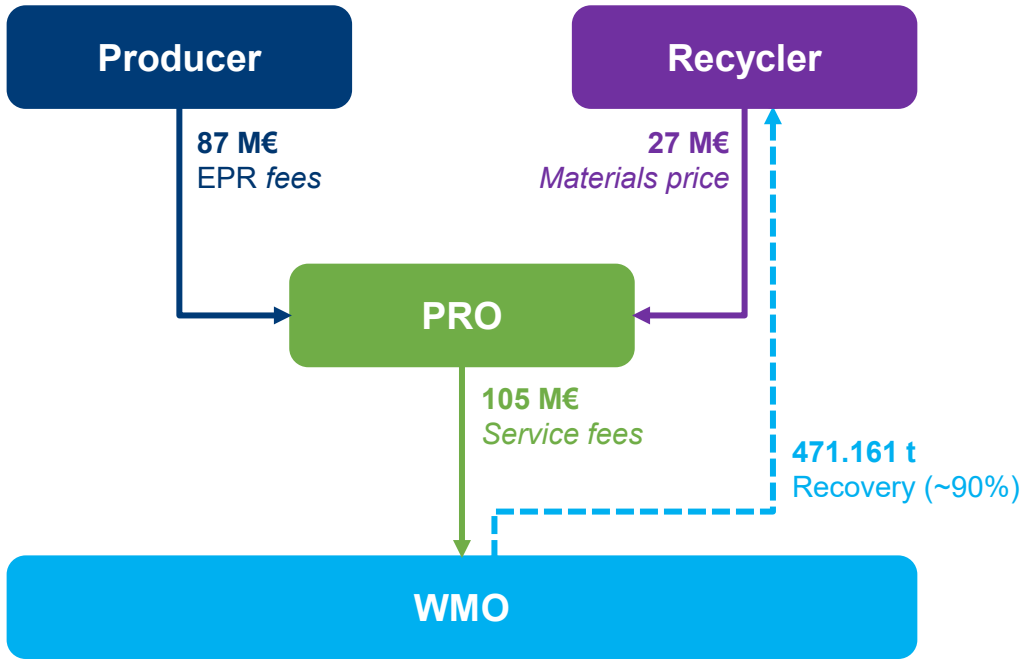
Operating framework (Packaging EPR scheme)



Considerations

- **Typical EPR framework only applicable to users generating up to 1.100 liters of waste per day**
- General law stipulates that for the **waste generated under the 1.100 l/day threshold, municipalities hold operating responsibility**
- **Solution to responsibility overlap** between municipalities and product producers in the packaging waste stream was to **separate operating and financial responsibilities – producers pay municipalities for service rendered (through PROs)**

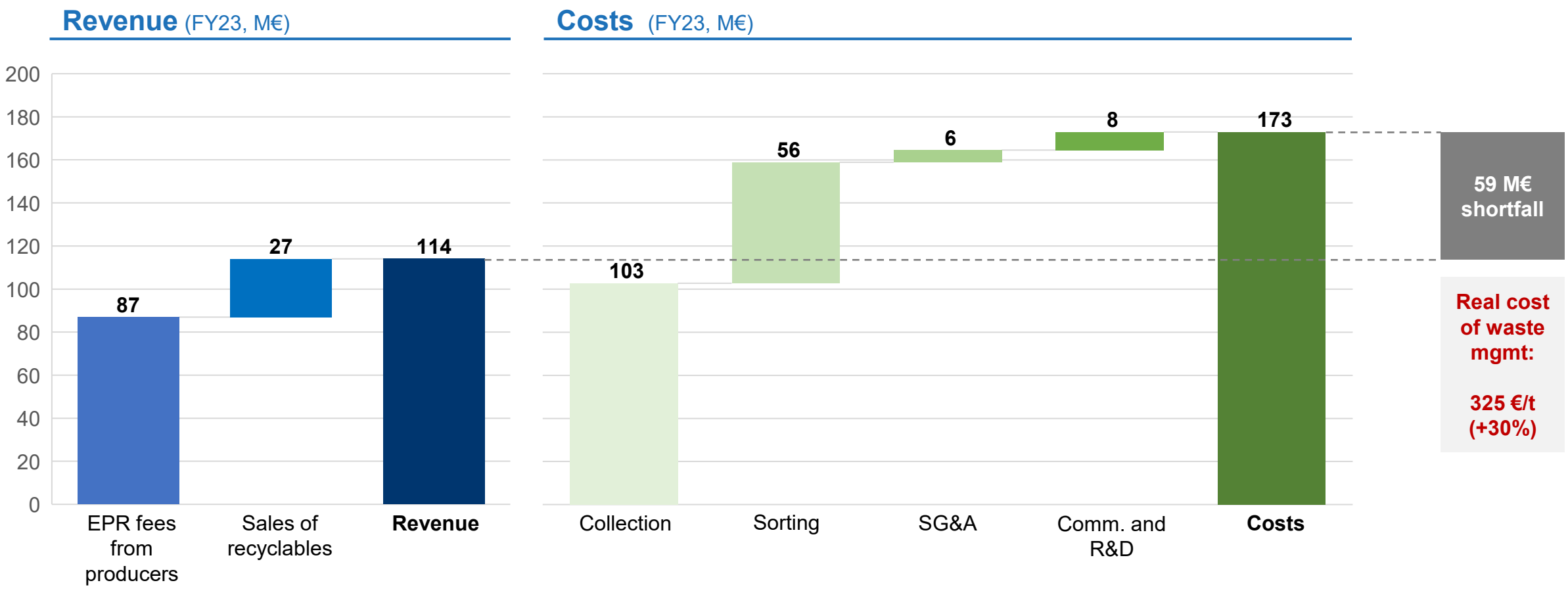
Financial framework (Packaging EPR scheme)



PRO sustainability

- **EPR fees = Service fees (Op. Responsibility)**
  + SG&A costs
  + Communication & Advertising
  - Revenue from sale of materials
- **PRO decides fees to charge producers –** competition expected to ensure price efficiency
- **Ecomodulation to be mandatory but also PRO decision**
- **Implied cost of waste management for packaging stream: ~250 eur/t**

Financial framework (Packaging EPR scheme)



Producers not supporting the entirety of cost of management of waste generated by packaging products only adds opacity to the system, making it harder to monitor – questionable benefit, as cost is still borne by users

Considerations for the EU Commission

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Considerations	Recommendations
Every approach to implementation of polluter-pays principle must include monitoring/enforcement (behavior assurance)	**Consider EPR as viable alternative to PAYT due to good cost to result ratio**
Competition among PROs is effective if they have operating responsibility	**Clearing house to manage cost allocation according to PRO market share – less effective**
Separation between financial and operating responsibilities can be incentive to cost efficiency of collection and sorting but can hinder efforts needed to achieve environmental targets	**Regulator needed to balance efficacy and efficiency – *Finding ways to do the right things right***
Logistics costs are relevant to consumer surplus - Absence of Union wide specifications and low value of materials increase bargaining power of recyclers (markets are local)	**Consider EU specs to broaden supplier base at sorting facilities + green tax on virgin materials to increase demand for recycled materials**

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