Sabiedrisko pakalpojumu regulēšanas komisija

Workshop "TF Waste"

EPR schemes in Latvia

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The institutional framework of the Extended Producer Responsibility (EPR) system

State Environmental Service
Republic of Latvia

Supervised Institution

Klimata un enerģētikas ministrija

Ministry of Climate and Energy

The State Environmental service supervises and controls the waste producers and EPR managers involved in the EPR systems.

The main key aspects of supervision.

1.Does the waste producer count EPR products correctly;

2.Does the waste producer report products laid down on the market correctly;

3.Has EPR managers created and implemented the requirements of regulatory acts appropriate EPR systems and has received the appropriate permits;

4.Does the EPR manager maintain valid financial security;

5.Are the reports provided by the EPR manager on the implementation of the EPR system consistent the requirements of regulatory acts, and the data included in them are justified;

6.Does the EPR manager manage EPR products in accordance with the requirements of regulatory acts on waste management.

Supervised company

LATVIJAS VIDES, ĢEOLOĢIJAS UN METEOROLOĢIJAS CENTRS

State limited liability company 'Latvian Environment, Geology and Meteorology Centre'

LEGMC collect, store and provide environmental information to the public, state and municipal institutions; to manage state-owned hazardous waste landfill; to safely manage radioactive waste and nuclear sites; participate in national policy implementation in the areas of geology, meteorology, climatology, hydrology, water and air quality, waste management etc.

Independent institution

The Public Utilities Commission of Latvia

Applies only to the deposit system.

- Approves participation (industry) fees for each packaging type;
- Examinates discrepancies on the deposit packaging management fee.

An overview of the waste streams covered by the national EPR system

Managed in 2023, tons

39 000 Environmentally harmful goods (batteries, accumulators, oils, used tires) (4 EPR managers)

39 000 Environmentally harmful goods (electronic equipment and devices) (3 EPR managers)

235 000 Used packaging and single use tableware and accessories (4 EPR managers)

21 000 units All types of vehicles (1 EPR manager)

27 000 Beverage deposit packaging (1 EPR manager, regulated EPR system)

From 2024 Products containing plastic (2 EPR managers)

From 2024 Textile products (3 EPR managers)

From 2025 Electronic cigarettes (1 EPR manager)

Source: State Environmental Service, Presentation 12.11.2024

Legal bases for EPR system

Waste Management Law

Packaging Law

Natural Resources Tax Law

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

Market based EPR system

- 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)
- Procedures for Exempting From Payment of the Natural Resources Tax for Goods Harmful to the Environment (Minister Cabinet Regulation No. 64)
- 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)
- 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)

Regulated EPR system

- 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.

EPR sheme

Natural resource tax (NRT) payer, waste producer

Pays NRT.
Has to report about products placed on the market

Doesn't pay NRT.
Has to report about products placed on the market.
Concludes a contract with EPR system for waste management.
Pays EPR fee.
OR
Organizes EPR

EPR system provides and finances waste collection and waste recycling

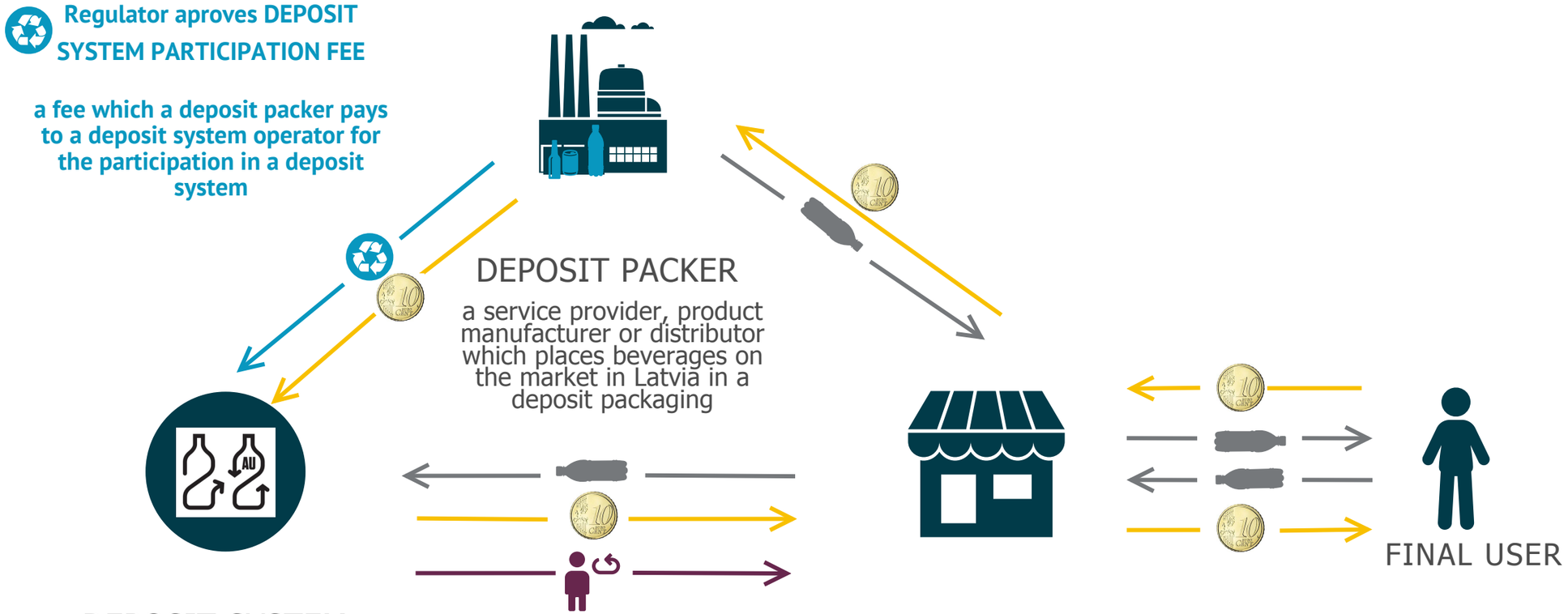
- Inventory of waste amount laid down on the market
- Full service of waste management
- Public education and engagement
- Data collection, auditing, reporting

The State Environmental Service concludes a contract with the EPR system and grants NRT exemption to the waste producer, and controls EPR systems and waste producers

State Environmental Service
Republic of Latvia

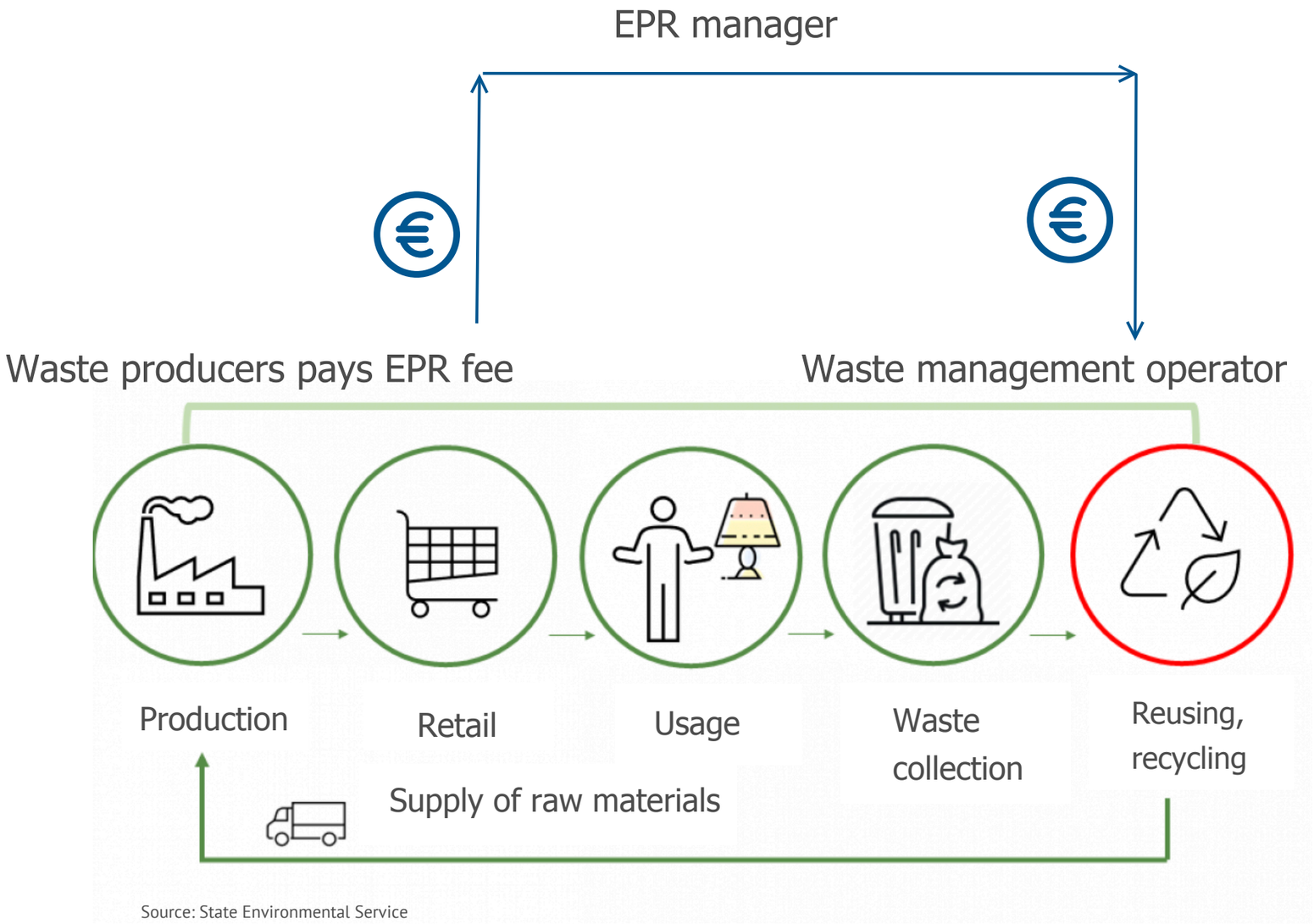
Financial framework of the EPR system

Overview of cash flows - deposit system



Financial framework of the EPR system

Overview of cash flows - municipal waste management



Source: State Environmental Service

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

EPR manager pays for:

- waste collection infrastructure (waste collection points, civic amenity sites, mobile acceptance points etc.);
- prepared material for recycling and reuse;
- take back schemes at retailers, in maintenance workshops and repair shops.

What specific waste management activities are covered by the financial liability arising from the EPR

Market based EPR system

- Recycling and recovery of collected used packaging costs (waste recovery and processing in the territory of Latvia, and outside the territory of Latvia, receiving certificates for actual waste recovery and recycling);
- Collection and acceptance costs (costs associated with actual waste collection and transportation costs to a recovery facility that provides end-of-waste status, receiving certificates on the origin of waste and the actual amount of waste);
- Storage costs (costs associated with the storage of waste in the facility prior to the recovery operation);
- Maintenance of management infrastructure (maintenance of separate waste collection areas (annual fee), maintenance of waste collection points, placement of containers for separate collection of waste at direct waste producers - manufacturers, sales points, apartment buildings);
- Administrative costs (information reporting and preparation, ensuring the performance of the auditor, accounting and other costs);
- Costs related to the implementation of the management plan (maintenance of financial security/guarantee for the operation);
- Costs of communication activities (activities should be organized in the territory of Latvia or in the every waste management region).

Source: State Environmental Service, Presentation 14.01.2025

Regulated EPR system

Methodology, Annex 1

2.Costs of accepting and collecting of deposit packaging (variable costs)
2.1. Costs of the deposit packaging management fee
2.1.1. Automated acceptance point
2.1.1.1. compressed packaging
2.1.1.2. uncompressed packaging
2.1.2. Manual acceptance point
2.2. Costs of renting reverse vending machines for deposit packaging
2.3. Costs of collection and logistics of deposit packaging
2.4. Costs of packaging materials and equipment for storage and collection of deposit packaging
3.Costs of economic activity for providing the deposit system (fixed costs)
3.1.Costs of reverse vending machines;
3.2. Costs of depreciation of fixed assets of the centre for sorting, ect.;
3.3. Credit interest payments;
3.4. Staff costs;
3.5. Costs of providing the technological processes for sorting, ect.;
3.6. Costs of administration which are not included in other cost items;
3.7. Costs of public outreach;
3.8. Other costs.
4. Fees.
5.Taxes.

Methodological principles for the calculation of EPR fees

Market based EPR system	Regulated EPR system
What is the basis for fee calculation, and what data are used to define the fees?	
No publicly available information	M6.The costs planned in the draft participation fee for the current year, and also the quantity of the deposit packaging planned to be placed on the market, and the quantity planned to be collected for recycling or reuse shall apply to a period of twelve months. The participation fee determined shall remain effective until determination of a new participation fee.
What methods are followed in evaluating the reasonableness of costs?	
No publicly available information	Deposit fee per deposit packaging - 0,10 EUR - Regulation of the Cabinet of Ministers. Participation (industry) fee - approved by Regulator. Deposit packaging management fee - the model for the calculation of the deposit packaging management fee shall be coordinated by the deposit system operator and the deposit packaging sellers or associations representing them. Model is created by independent auditor, on the basis of the direct eligible costs of the deposit packaging sellers.
How are the revenues generated from the sale of EPR-covered waste (recycling, trade, etc.) accounted for and taken into consideration generated from the sale of EPR-covered waste (recycling, trade, etc.) accounted for and taken into consideration?	
No publicly available information	The merchant shall accurately and clearly present the incomes in the draft participation fee. M 9. The merchant shall reduce the costs required for the provision of the deposit system service

Methodological principles for the calculation of EPR fees

Market based EPR system

Regulated EPR system

In what way is it calculated that the collected and treated waste contains material streams (covered by the EPR system) in certain proportions? What method is followed to determine the proportion of EPR covered waste streams in collected and treated waste?

A waste manager/operator shall submit a report on waste for the previous calendar year by 1 March of the current year according to the provisions regarding forms of reports on environmental protection State statistics. The actions with waste are indicated by European Union used waste classification's cods. The State Environmental Service controls the waste producer's and EPR manager's submitted reports.

No publicly available information

Methodology, Annex 1

Managed quantity of the deposit packaging in the current year by each material type (single-use deposit: PET (clear), PET (colored), metal (AL), metal (Fe), glass. Reusable glass (universal & individual design).

1.1.Number of units placed on the market, units

1.2.Number of units collected, units

1.3.Percentage of returned deposit packaging (1.2./1.1.), %

Has fee modulation already occurred, or is it expected to take place in the future? If so, what methods will be followed?

Latvia does not apply advanced fee modulation in the EPR scheme. A transparent compliance of EPR manager is checked by an independent auditor verifies that waste producer's and EPR manager's report is correct.

An averages fee per material (weight) or product type, based on measurable cost of collection, infrastructure maintenance costs, sorting and treatment/recycling, administrative costs (including registration, information and reporting requirements), costs of communication activities, costs for financial security, risk 10%.

M4. 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.

M8. The merchant shall include only such technologically and economically justified costs in the draft participation fee which are required for efficient provision of the deposit system service.