1. ------IND- 2018 0211 LV- EN- ------ 20180524 --- --- IMPACT

**Cabinet Regulation on the procedure for terminating the waste status of rubber materials obtained from end-of-life tyres: ex-ante impact assessment report (summary)**

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| **Summary of the draft legislation** | |
| Purpose, solution and time of entry into force (500 characters without spaces) | Article 6(1)1 of the Waste Management Law (hereinafter referred to as ‘WML’) stipulates that the Cabinet of Ministers shall establish the procedure for applying criteria for by-products and the termination of the waste status.  The draft Cabinet Regulation on the procedure for terminating the waste status of rubber materials obtained from end-of-life tyres (hereinafter referred to as the ‘draft regulation’) applies to rubber materials obtained from end-of-life tyres as a result of processing. The draft regulation states that the processor of end-of-life tyres should introduce a quality management system, while the person importing secondary raw materials obtained from end-of-life tyres from other countries should ensure that these raw materials are produced in compliance with the appropriate quality requirements. The draft regulation also states that each batch of waste (a shipment) should be accompanied by a copy of the declaration showing that the secondary raw materials meet the end-of-waste criteria, with the information showing that the secondary raw materials obtained from end-of-life tyres meet the requirements of this regulation. The draft regulation will enter into force on the day following its publication in the official gazette *Latvijas Vēstnesis*. |

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| **I. Need for the draft legislation** | | |
| 1. | Legal basis | Article 6(1)1 WML. |
| 2. | Current situation and issues that the draft legislation is intended to address; purpose and nature of the regulatory framework | Article 6 (1)1 WML stipulates that the Cabinet of Misters shall establish the procedure for applying criteria for by-products and the termination of the waste status.  Currently, the general criteria for terminating the waste status are laid down in Cabinet Regulation No 302 of 19 April 2011 on the classification of waste and properties that render waste hazardous. However, this regulation does not establish the end-of-waste criteria for rubber materials obtained from end-of-life tyres.  In light of the above, a new regulation was drafted to lay down the procedure for terminating the waste status of rubber materials obtained from end-of-life tyres. The draft regulation sets requirements for end-of-life tyres that are processed into secondary raw materials, the recycling process and the secondary raw materials obtained. In order to establish a common procedure for terminating the waste status of said materials, the draft regulation includes criteria (Annex 1 thereto) for determining if the materials should be considered as waste or secondary raw materials. The processor of end-of-life tyres should ensure that all the criteria included in the draft regulation are met and the person responsible for importing secondary raw materials into Latvia should certify that the secondary raw materials are produced under a quality management system. The mentioned criteria are necessary to make it easier to recycle end-of-life tyres.  end-of-life tyres (waste code 160103)[[1]](#footnote-1) are stored on tyre collection and storage sites, in garages where tyres are mounted and balanced, in scrapyards, specialised tyre-mounting garages, agricultural equipment repair shops and waste sorting sites operated by waste management companies that have waste management permits or a category B polluting activity permits (waste management facilities). According to the State Environmental Service, in 2016, there were 159 end-of-life tyre collection sites in Latvia, of which 36 were for environmentally hazardous waste.  Quantity of tyres handled in Latvia[[2]](#footnote-2)   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | 2013 | 2014 | 2015 | 2016 | | Quantity of tyres imported and placed on the market in Latvia (tonnes) | 12 762 | 15 115 | 15 918 | 15 003 | | Collected | 8 657 | 9 599 | 11 071 | 9 492 | | Recycled, recovered (tonnes) | 7 452 | 8 187 | 9 243 | 9 260 | | Recycled % of the quantity imported and placed on the market in Latvia | 58 | 54 | 58 | 61 |   The biggest tyre recycling companies are: VVV RECYCLING, SIA; E Daugava, SIA; Cemex, SIA, and AK LRPMK, SIA.  The draft regulation applies to rubber materials obtained from end-of-life tyres as a result of processing. It states that the manufacturer of the rubber materials, i.e. secondary raw materials, should introduce a quality management system for the manufacture of rubber materials from end-of-life tyres, and the persons importing such materials from other countries should ensure that the materials are manufactured in compliance with the quality requirements. The draft regulation also states that each batch of waste (a shipment) should be accompanied by a copy of the declaration by the processor showing that the materials obtained from end-of-life tyres meet the requirements of this regulation.  The draft regulation does not apply to rubber materials obtained from end-of-life tyres used for incineration with or without energy recovery, for pyrolysis, plasmolysis, gasification and similar technological processes where the physical or chemical properties of rubber materials are modified. The draft regulation applies only to rubber materials obtained from end-of-life tyres through recycling. |
| 3. | Bodies involved in drafting the regulation | Ministry of Environmental Protection and Regional Development, State Environmental Service. |
| 4. | Other information | No. |

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| **II. Social, economic and administrative impacts of the draft legislation** | | |
| 1. | Target social groups who are or may be affected by the regulatory framework | Economic operators who recycle end-of-life tyres, accountability systems of manufacturers, tyre importers, the general public. |
| 2. | Impact of the regulatory framework on the economy and the administrative burden | If economic operators wish that the rubber materials obtained from end-of-life tyres are no longer regarded as waste but as secondary raw materials, they should introduce a quality management system and ensure that the recycling of rubber materials meet the requirements specified in the draft regulation.  The impact of the draft regulatory framework on the economy and target groups such as small and medium-sized companies, micro businesses, start-ups and NGOs will not be significant. The draft regulation will have a positive impact on the environment, health and indicators of the National Development Plan at micro and macro levels, because the legal framework will address the issue of tyre recycling, reduce environmental pollution and potential risks to public health, and develop competition in the field of waste recycling. |
| 3. | Assessment of administrative costs | The assessment of administrative costs includes the estimated costs for setting up and maintaining the quality management system mentioned in the draft regulation.  C = (f x l+k) x (n x b), where  **C** is the cost of setting up and maintaining the quality management system;  **f** is the hourly pay rate in the private sector, obtained by dividing the average monthly pay in the private sector (according to the data of the Central Statistical Bureau of Latvia [[www.csb.gov.lv](http://www.csb.gov.lv)], in 2016, it was €845/month) by the normal working hours stipulated in Article 131(1) of the Labour Law (40 hours/week x 4 = 160 hours/month) = **€5.28/hour**;  **l** is the time required to set up the quality management system mentioned in the draft regulation – **40 hours**;  **k** is the cost of creating the quality management system – **€5 000*;***  **n** is the number of household waste management companies to which the draft regulation would apply – **there are currently 6 such companies**;  **b** is the frequency of measuring the mass and volume ratio – a one-off activity.  Estimate:  **C = (5.28 x 40+5 000) x (6 x 1) = €31 267.20** |
| 4. | Assessment of compliance costs | Compliance costs are similar to administrative costs calculated according to the formula in paragraph 3 of Section II of the summary. However, an accurate estimate can be made only when the number of economic operators getting involved in the manufacture of rubber materials from end-of-life tyres is known. |
| 5. | Other information | No. |

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| **III. Impact of the draft legislation on the State and local government budgets** |
| The draft does not affect this area. |

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| **IV. Impact of the draft legislation on the existing legal framework** |
| The draft does not affect this area. |

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| **V. Compliance of the draft legislation with the Republic of Latvia's international obligations** | |
| **Obligations to the European Union** | Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste  When, upon importing rubber materials obtained from end-of-life tyres from other countries, the competent authorities of the dispatch and destination country cannot agree on the classification of rubber materials, the shipment shall be considered as waste. |

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| **Table 1**  **Compliance of the draft legislation with EU law** | | | |
| **Date, number and title of the respective EU Regulation** | 1. Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste (hereinafter referred to as ‘Regulation (EC) No 1013/2006’); 2. Commission Regulation (EU) No 1357/2014 of 18 December 2014 replacing Annex III to Directive 2008/98/EC of the European Parliament and of the Council on waste and repealing certain Directives (hereinafter referred to as ‘Regulation (EU) No 1357/2014’); 3. Regulation (EC) No 850/2004 of the European Parliament and of the Council of 29 April 2004 on persistent organic pollutants and amending Directive 79/117/EEC (hereinafter referred to as ‘Regulation (EC) No 850/2004’); 4. Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission on Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC (hereinafter referred to as the ‘REACH Regulation’). | | |
| **A** | **B** | **C** | **D** |
| Article 28(1) of Regulation (EC) No 1013/2006 | Paragraph 11 | Fully compliant | The requirements are not stricter than those laid down in the regulation. |
| Annex to Regulation (EU) No 1357/2014 | Subparagraph 1.2 of Annex 1 | Fully compliant | The requirements are not stricter than those laid down in the regulation. |
| Annex IV to Regulation (EC) No 850/2004 | Subparagraph 1.2 of Annex 1 | Fully compliant | The requirements are not stricter than those laid down in the regulation. |
| Annex XVII to the REACH Regulation | Subparagraph 1.3 of Annex 1 | Fully compliant | The requirements are not stricter than those laid down in the regulation. |
| Has the Member State used discretionary rights to transpose or implement certain provisions of EU law?  Why? | No | | |
| Obligation to report to EU institutions and EU Member States in accordance with regulations governing the provision of information on draft technical regulations, State support and financial regulations (regarding monetary policy) | The draft regulation is considered to be a draft technical regulation, meaning that it will be notified to the European Commission according to the procedures laid out in Cabinet Instruction No 1 of 23 February 2010 on procedures under which public authorities provide information on draft technical regulations. | | |
| **Other information** | **No** | | |

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| **VI. Public involvement and communication efforts** | | |
| 1. | Planned public involvement and communication efforts related to the draft | The public was involved in the drafting the regulation in compliance with the procedure laid down in subparagraph 7.41 of Cabinet Regulation No 970 of 25 August 2009 on the procedure for public involvement in the development planning process, i.e. members of the public were given an opportunity to submit written proposals during the drafting stage. |
| 2. | Public involvement in the drafting of the regulation | The draft regulation was posted on the Ministry of Environmental Protection and Regional Development’s website ([www.varam.gov.lv](http://www.varam.gov.lv)) on 18 January 2018, thus giving interested parties the opportunity to express their views and make suggestions. |
| 3. | Results of public involvement | Comments were received from Latvijas Nacionālais akreditācijas birojs, SIA; State Environmental Service; EkoRecycling, SIA; Latvijas Asociācija Bīstamo Atkritumu Apsaimniekošanai; Latvijas Zaļais punkts, AS. |
| 4. | Other information | No |

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| **VII. Implementation of the draft legislation and its impact on bodies** | | |
| 1. | Bodies involved in implementing the draft | **State Environmental Service of the Republic of Latvia** |
| 2. | Impact of the draft’s implementation on administrative functions and institutional structures.  Set-up of new bodies, dissolution or restructuring of existing ones, impact on the human resources thereof | The draft regulation does not affect the functions and tasks of the bodies involved.  There is no need to set up new bodies or restructure existing ones. |
| 3. | Other information | No |

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1. Cabinet Regulation No 302 of 19 April 2011 on the classification of waste and properties that render waste hazardous [↑](#footnote-ref-1)
2. Data of the Administration of the Latvian Environmental Protection Fund [www.lvafa.gov.lv](http://www.lvafa.gov.lv) [↑](#footnote-ref-2)