MULTILEVEL GOVERNANCE

The Implementation of the Directive on Packaging and Packaging Waste in Estonia

OEUE PHASE II
Occasional Paper 2.5 – 12.04

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ORGANISING FOR EU ENLARGEMENT:
Challenge for the Member States and the Candidate Countries

The Dublin European Institute, University College Dublin,¹ was awarded, in 2001, a research contract under the EU’s Fifth Framework Programme² to carry out a comparative study of the impact of the EU on the structures and processes of public policy in six small countries: Ireland, Greece, Finland, Estonia, Hungary and Slovenia. The Project’s partnership, under the direction of Professor Brigid Laffan, Dublin European Institute, University College Dublin⁴, includes: Professor Dr. Wolfgang Drechsler, University of Tartu; Professor Teija Tiilikainen, University of Helsinki; Professor Calliope Spanou, University of Athens; Professor Attila Ágh, Budapest University of Economic Sciences and Public Administration; and Professor Danica Fink-Hafner, University of Ljubljana.

The aim of the research project was to deepen our understanding of the processes of Europeanisation in a number of the existing member states and some of the candidate states.

The research project encompassed the following three objectives:

- The conduct of research which offers immediate policy relevance to key stakeholders in the enlarging Union;
- The conduct comparative, theoretical and empirical research on the management of EU public policy making in three existing member states – Ireland, Greece and Finland – and three candidate states – Estonia, Hungary and Slovenia;
- The shedding light on the capacity of smaller states to adjust and to adapt to the increasing demands of Europeanisation on their systems of public policy-making and thus to identify the barriers to effective, efficient and accountable management of EU business.

Research Strategy
The research design consisted of two phases and within each phase, two levels of analysis. Phase I analysed the management of EU business at the macro level of the core executive and was complemented by a micro case study of a recent policy negotiation using decision analysis. Phase II of the research broadened the analytical focus to encompass other levels of government – the EU and sub-state – through multi-levelled governance. Here attention was centred upon the emergence of policy networks and the interaction between public actors and the wider civil society in specific, discrete policy sectors.

¹ National University of Ireland, Dublin (University College Dublin).
² European Commission, Community Research Fifth Framework Programme (Socio-Economic Research).
³ This project forms part of the Governance Research Programme, Institute for the Study of Social Change, University College Dublin, www.ucd.ie/issc; and www.ucd.ie/govern/intex.htm.
Methodology
The study employed two specific methodologies: historical institutionalism and rational institutionalism in a new and innovative fashion. The use of combined perspectives provided a theoretically innovative and new approach to the study of the Europeanisation process. Both approaches could be used as they were applied to different elements of the empirical research.

Academic and Policy Implications
This study's findings provide insight into the manner in which diverse state traditions, institutions and political and administrative cultures influence national adaptation to EU governance and how the interface between national policy processes and the Brussels arena is managed. It is expected that these findings will assist those making and managing policy, thus facilitating adjustments to the changing European Union while also contributing to the growing academic debate on Europeanisation.

At various stages during the course of this project the research findings and analysis were presented to a range of stakeholders and academics to facilitate feedback and enhance the analytical process. Further details about the Organising for EU Enlargement (OEUE) project are available on the project web site www.oeue.net, along with i) the Project Report, ii) the OEUE Occasional Papers and iii) a selection of papers by the research partners which draw on various aspects their project research.
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Leno Saarniit is a research fellow with the Department of Public Administration, University of Tartu. Her publications address the application and use of public service codes of ethics with particular reference to Estonia. Leno Saarniit’s research interests include public ethics and environmental policy.
ABSTRACT
Estonian waste policy has been one of the most problematic areas in environmental policy as a whole. Although the main legal acts were adopted before the beginning of the EU accession negotiations, the misfit of the whole system was rather large: this generated a large number of new or amended legal acts. The cooperation between different levels of government was good. As local governments have important responsibilities in organising the waste management within their own administrative areas, they were closely involved in the process. An interesting aspect of the packaging waste policy was the involvement of interest groups in the whole policy process.
INTRODUCTION

Although Estonia likes to perceive itself as an nature friendly country that pays a lot of attention to environmental policy, the reality can be quite the opposite. Although in nature protection Estonia, can be seen as rather developed (as shown in the case study on the transposition of Habitats directive in Estonian nature protection policy), Estonian waste policy is one of key problematic areas in environmental policy.

The aim of this case study is to analyse the transposition and implementation of Council Directive 94/62/EC on Packaging and Packaging Waste. This directive entered into force on 31 December 1994 and covers all types of packaging marketed in the EU (household, commercial and industrial packaging waste are all included). The main goals of this directive include:

1. Harmonize national measures so as to prevent or reduce the impacts of packaging on the environment of all member states and of third countries, and to remove obstacles to trade and distortion and restriction of competition; and
2. Prevent the production of packaging waste, and reduce the amount of waste for final disposal through packaging reuse, recycling and other forms of recovery.

The paper is divided into three main sections. The first section gives an overview of waste policy in Estonia by analysing the institutional and the legal framework. The second chapter brings out the main aspects in the misfit of EU and Estonian packaging waste policy and gives an overview of the accession negotiations. The last section focuses on the transposition of the packaging waste directive: the changes in legal framework, the adoption of waste management plans, and the involvement of interest groups in the policy process.

Although the paper is based on the logical succession of events in Estonian waste policy, it is not easy to bring out specific dates to clarify the timeline of the whole process. However, the first section of the paper covers roughly the period up to 1998, the second mostly the time of accession negotiations from 1998 to 2002 and the last part focuses on the new developments since 2002.

1. Waste Policy in Estonia

Waste policy in Estonia has rather complicated history. Although during the Soviet era quite effective waste recovery, reuse and recycling system was in use (mainly focusing on glass and paper, but cloth and metal as well), the system collapsed in the beginning of 1990ies. New packaging materials were used and supported by the new consuming culture, the volume of packaging increased. That in turn lead to the increase in general waste volumes.
Packaging waste constitutes a major part of municipal waste. The municipal waste generation increased in Estonia between 1993 and 1997 by 40% (from 221 to 350 tons/per person in a year) mainly due to changed consumption habits and the introduction of new packaging types. Since 1998 the municipal waste volume has slightly decreased (Phare 2002: 80-81).

In addition to the increasing municipal waste volume, the statistics show that the share of reusable beverage packaging has decreased (from 69% in 1998 to 56% in 2001) and been substituted with non-reusable packaging. (Säästva Eesti Instituut 2003: 13). Although no detailed statistics exist, the estimates of how much of the packaging waste is re-used, usually vary between 10 and 15% (Säästva Eesti Instituut 2003: 16). An overview of waste management in Estonia brings out statistics that suggest that the actual percentage might be even 18 (“Eesti jäätmekäitluse ülevaade” 2003: 7). However, it is important to note that the statistical data varies.

The institutional development and the development of legal framework took time: the key legal acts were adopted in 1996 or later. The following section firstly gives an overview of the main governmental and non-governmental actors involved in waste policy, and more specifically in packaging waste policy; secondly the legal framework is analysed.

1.1. Institutional framework

The following discussion of nature protection in Estonia focuses mainly on governmental institutions as on this level most of the decisions are made. The first section discusses different institutions in the executive (Ministry of the Environment, county environmental departments, environmental inspectorate) and the legislative (Environment Committee in the Riigikogu). Secondly, the role of several non-governmental organisations that are active in the field of nature conservation will be discussed.

Governmental institutions

The main governmental institutions are divided between two branches of government. The main institutions preparing the policy documents and draft laws, applying the laws, collecting the necessary information and harmonising and implementing the EU directives are in the executive. These institutions include the Ministry of Environment with its subordinate institutions and the Environmental Inspectorate. Within the legislative branch of government, the Environment Committee in the Riigikogu is responsible for administering and preparing the adoption of laws.
The chief ministry in the area of environmental policy (and nature protection) is the Ministry of Environment (ME). It is responsible for regulating the questions concerning the protection of nature and environment, solving the tasks concerning the land-use (with keeping the national land cadastre), including co-ordination of the elaboration of regional plans, managing the use, protection and accounting of the natural resources, as well as surveillance over the use of environmentally hazardous compounds. Through its various programmes, the ME organises environmental monitoring, meteorological, geological, constructional and geodetic surveys and research in natural history. It arranges the environmental impact assessments of the projects of national importance and co-ordinates international relations in environmental matters. The Ministry of the Environment formulates national policies in its field of activities and prepares the bills of respective legal acts. (Vabariigi Valitsus 2002).

The Ministry of the Environment is led by the Minister of Environment, whose primary responsibility is to guarantee the accordance of the work of the Ministry with the Constitution and other laws and legal acts. The chief executive of the Ministry is the Secretary General who is in charge of managing the work of the sub-units of the Ministry and co-ordinating the activities of the institutions governed by the Ministry. Directly subjected to the Secretary General are four Deputy General Secretaries, having special fields of competence. (Vabariigi Valitsus 2002)

Within the ME, waste policy is co-ordinated by one of the deputy secretary generals. The deputy secretary general on environmental management coordinates the work of three departments, including the Waste Department. It can be said that the main policy development and formulation takes place within the ME structure. However, the formal decisions are made by the government (e.g. National programme Natura 2000) or the minister of environment (e.g. different regulations on registering environmental damage, authorising local governments to manage protected areas and natural objects etc.). The main reason for that lies in environmental sphere being highly dependent on expert information, reliable data, and scientific approaches; another reason can be seen that recent coalitions have regarded economic, financial, and foreign affairs as their priorities.

The ME co-ordinates the work of 15 county environmental departments. These departments do not belong to the structure of the county governments but to the structure of the ME and are therefore accountable to the minister, secretary general and deputy secretary generals (Vabariigi Valitsus 2002: chapter 9). County environmental departments have extensive responsibilities in all areas of environmental policy, the following are directly linked to the waste management policy in Estonia:

- manage information gathering and reporting in the field of environment and nature use;

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4 Other ministries active in waste management include Ministry of Finance, Ministry of Economic Affairs and Ministry of Social Affairs.
- participate, if so provided, in environmental impact assessments;
- propose amendments to environmental legislation.\(^5\)

As can be seen from the list above, these responsibilities are mainly executive responsibilities – application of environmental policy. Policy formulation is mainly left to the departments of the ministry.

In regard to the nature protection and its control, most important of these agencies and institutions are the environmental supervision agencies. Environmental supervision is exercised by the Environmental Inspectorate, Land Board and local government bodies and agencies (Keskkonnajärelevalve seadus\(^6\) §3, lg.1). As the Environmental Inspectorate is active in all fields of environmental policy, it also has extensive responsibilities in nature protection waste management. Among other tasks, it is responsible for implementation of mandatory environmental protection measures (Keskkonnajärelevalve seadus § 4, lg.2). The Environmental Inspectorate is responsible to the Minister of Environment (Keskkonnainspektsiooni põhimäärus § 3) and is organised on regional basis: it has 7 regional centres (Keskkonnainspektsiooni põhimäärus § 7, lg.3).

National Packaging Register that was founded in 1997 under the Ministry of Environment is responsible for gathering the basic information on packaging and packaging waste. As the Phare project on packaging and packaging waste determined the most reliable data is available on alcohol and non-alcoholic beverage packaging due to the Excise Duty Act (see paragraph 1.2). The Estonian administrative legislation describes relatively clearly the role of municipalities. Local governments shall organize and coordinate the packaging waste management system in their administrative territories. For various reasons a number of municipalities failed to do so. The larger cities are in the forefront, but are also confronted with a relative significant waste problem. See also the waste survey. A large number of smaller cities have to cope with problems of an entire different magnitude, like social and economic problems and have to set priorities.

In the parliament, the Riigikogu Environment Committee is one of ten standing committees (Riigikogu kodukorra seadus\(^7\) § 18, lg. 2). The main tasks of a standing committee include the preparation of draft laws and control of the executive within its own field (Riigikogu kodukorra seadus § 18, lg. 1). All parliamentary committees have a right to propose draft laws (Riigikogu kodukorra seadus § 90, lg. 1). During the IX Riigikogu (1999-2003) the Environment Committee was a leading committee for 50 adopted legal acts (32 of them proposed by the Government, 18 by the Riigikogu; 5,7% of all legal acts adopted by the IX Riigikogu).

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\(^5\) http://www.envir.ee/eng/departments.html
\(^6\) Environmental Supervision Act
\(^7\) Riigikogu Rules of Procedure Act
Non-governmental organisations

Historically waste management companies of Estonia dealt only with waste collection, which was sent to landfills. After the enforcement of the Packaging Excise Duty Act, a number of waste management companies specializing in packaging collection and recovery were established in 1997, resulting in additional recycling of secondary raw materials. Therefore the profile of many waste management companies has changed. In addition to waste collection they are motivated to do separate collection and send packaging waste to recovery companies. There are also some brokerage companies, which offer only brokerage service. There are more than 20 companies, which are dealing with the collection and recovery of packaging waste. The largest ones of these companies are AS Vaania, Ragn Sells Eesti AS, AS Sekto, AS Sekto & Parnerid, OÜ Adelain, OÜ IJÜ, Pakendikäitluse OÜ and AS ILKO Kaubandus. The main company, which offers brokerage service, is AS PAKKEND.

1.2. Legal Framework

The legislative framework on packaging and packaging waste consists of three main acts of parliament and subsidiary legislation (regulations and decrees of the Government of Estonia and different ministers). All the laws have been amended several times since their adoption.

The main law in this field is the Packaging Act, adopted by the Riigikogu in 1997. This act has three main functions:
1. Regulating the manufacture, use and import of packaging;
2. Promoting the recovery and recycling of packaging waste; and
3. Establishing the requirements for the marking of packaging.

The second parliamentary act, the Packaging Excise Duty Act that was adopted in 1996, imposes excise duties on sales packaging. However, this act taxes only the packaging for alcoholic and non-alcoholic beverages and even in that case the exceptions are possible (e.g. since 1999, the duty does not apply provided 60% or more of the packaging concerned is recovered). Finally, the Waste Act adopted in 1998, regulates the waste policy in general. The act regulates waste generation, the threats to environment and health associated with it and waste management methods aimed at decreasing the amount and hazardousness of the waste (Waste Act §1). The act also prescribes a framework for the permit system on waste recovery and disposal, with the Environmental Inspectorate and local government monitoring the compliance with waste permits.
2. Dynamics of Misfit

The main research on how Estonia’s legal framework complied with the PPW Directive was conducted within a Phare project on PPW Directive; its final report was published in February 2002. This report brings out a detailed analysis of the main problems and also suggests ways to improve Estonian PPW system. The main conclusion is that although many of the key legal concepts in the PPW Directive are reflected in Estonian legal framework, several improvements are necessary to improve the correct transposition of the directive. The improvements of key importance that are needed include:

1. "Key definitions used in the Packaging Act 1997 and the Waste Act 1998 need to be significantly revised (e.g. recovery, disposal, introduced for the first time (e.g. recycling, organic recycling, energy recovery) or amended (e.g. packaging, waste, reuse) to ensure the concepts in the PPW Directive are appropriately and fully reflected in Estonian legislation.”

2. Although recovery and recycling target in Estonian legislation correspond to the minimum standards in the PPW Directive, in Estonia they only apply to the beverage packaging. Therefore, Estonia needs to improve and extend the recovery and recycling system to all types of package.

3. Extensive changes are needed in order to improve the legal framework on recovery system.

4. Regulation on the marking of packaging are broadly in line with the EU legislation, however improvements can be made.

5. Consumer information must be improved.

In 2002 Phare report it was stated that:

"At present in Estonia, the implementation process of packaging and packaging waste collection and recovery system is in its early stage of development. Only the collection and recovery system of alcohol and non-alcoholic beverages is organized, initiated by the requirements of Packaging Excise Duty Act. Sorting, collection, recycling and recovery of the rest of packaging and packaging waste is not carried out and therefore this packaging waste is mostly disposed at the landfills together with the rest of municipal waste." (Phare 2002: 90)

In addition it was emphasised, that the fulfilment of several legal acts solely depends on the administrative capacity of local governments which feel that they have no power over enterprises (packaging producers, fillers, retailers etc). Waste management companies however, make their decisions mainly based on the profitability criterion; as a result a large part of collected waste originates from general bins and landfills and is therefore of low quality. The enforcement and control of waste policy in general is evaluated as insufficient. (Phare 2002: 90-91)
However, despite the obvious shortcomings – in legal and institutional framework, as well as in achieving the necessary levels of packaging waste recovery and recycling levels, Estonia was the only candidate country not to ask for any transition periods.

3. Implementation of the Packaging Directive

Similarly to the changes in the legal framework on nature protection policy, the main changes in legal acts on waste management were adopted shortly before the official accession date. The draft of new Packaging Act was discussed in the Riigikogu in November and December 2003. The draft was in line with the EU directives 94/62/EU and 75/442/EEC and European Commission’s decisions 97/129/EU, 1999/177/EU, 2001/171/EU, and 97/138/EU. The main advantages of the new draft law were seen in its environmental and consumer friendliness. The law was adopted on 30 April 2004. The new Waste Act was adopted a bit earlier – 17 February 2004, and creates a new system for waste management, that is in line with EU requirements. Packaging Excise Duty Act was only amended – no new drafts were prepared, as only minor changes were needed.

However, as the policy process was rather hurried, the public discussion remained superficial and has not generated the same amount of public attention as the Natura 2000 areas. On the other hand the lacking public protests may indicate a different attitude towards the interest group dint he whole policy process. The stakeholders in the development of these waste management plans were the following:

- The Riigikogu and the Government of Estonia
- Estonian Ministry of Environment
- County governments
- Local governments
- Waste management organisations
- Waste generators
- EU and other international organisations
- The general public and non-governmental organisations (Phare 2002: 76).

However, the most important of the stakeholders include those involved in the packaging chain:

1. **Economic operators** (manufacturers, fillers, importers, retailers, waste management companies). Estonia in the largest producer of plastic packaging in the Baltic states (most of the produce is exported); it uses a certain percentage of secondary raw material, which is mostly imported from Sweden and Germany. Several companies also produce wooden, glass and paper packaging. In addition to packaging producers Estonia also produces mainly consumables and food products that are heavily packed (e.g. soft drink producers, dairies, breweries). The share of retailers and distributors is growing as well, as the number of supermarket chains in rapidly increasing in Estonia; however only a few bigger supermarkets located
only in Tallinn finance automatons for returned packaging. A positive development can be seen in waste management companies: several of them are already focusing only on packaging waste (see section 1.1). However, despite the increasing specialization in waste management, the possibilities for recovery and recycling of different packaging waste categories are limited: only glass and metal can be recycled at the moment (plastic in mostly incinerated). (Phare 2002: 84-85)

2. **Competent authorities** (national, regional and local administrations). Today a collection system of packages and packaging waste is based on local governments’ environmental awareness or financial possibilities to finance a collection system. As about a half of Estonian local governments have a population of less than 2000, only larger towns have managed to start coordinating and cooperating with other interest groups the separate collection of packaging waste. (Phare 2002: 85-86)

3. **Consumers and environmental organizations.** The share of consumers sorting and collecting waste separately is quite small. Reasons for this are the low level of awareness and limited possibilities to participate in separate collection systems. People living in bigger municipalities often have better opportunities to participate in the packaging waste collection system. Those, who live in rural areas, tend not to have such opportunities. At the same time the quantity of waste generated in rural areas is smaller: they also compost and incinerate some types of waste.9

(Phare 2002: 85)

These stakeholders have a wide variety of different interests. The implementation of the Packaging Act and Packaging Excise Duty Act has stimulated debate and even highlighted differences between various interest groups. The recognition of the requirements of packaging and packaging waste has also initiated a discussion regarding the implementation of the legislation. The packaging and packaging waste program steering committee was formed in 1999 to set up a dialogue framework. The following representatives of different interest groups have been invited to participate in the ongoing debate: Representatives of competent authorities (5 ministries), Local municipalities, Industry associations, Packaging association, Waste management companies and NGOs. (Phare 2002:83)

Compared to nature protection policy the openness of cooperation and interest group influence in the packaging waste policy has been much higher. The discussion is open, the interest groups are recognized and their expertise and opinion is valued. This in turn has added to the partnership principle emphasized by the EU and democracy of the whole policy process.

In addition to the three main legal acts, the legal framework includes several waste management plans on the central government level as well as on county level. In the field on packaging waste, there are two main management plans, both adopted in

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9 In 2001, one of the biggest municipalities in Estonia (Tartu) ordered an opinion research, the results of one aspect being that 94% of respondents agreed that waste sorting was necessary and 83% were ready to sort waste in future. But in reality, only 25% sorted waste. (Phare 2002: 85)
2000: Packaging and packaging waste activity plan and Packaging waste collection and recycling system establishment in Estonia. These documents are closely connected to the Estonian Environmental Strategy and National Waste Management Plan (2002) that emphasises environmental policy principles such as sustainable development (including integration of waste management with other areas of life and integration of different sectors on environmental protection), prevention of environmental damages, precautionary principle etc.

In conclusion it can be said that although the necessary changes in the legal framework have been made, the actual application has not begun yet. Additional question that has to be dealt with is the changing consumer culture (increase in volume, increase in the amount of packaging used, the types of packaging used etc) which requires a joint effort of governmental as well as non-governmental authorities. Another problematic area is the administrative capacity of governmental institutions: the coordination capacity is rather low, the sub-national levels (county and local government) often lack expertise and power to coordinate, control and initiate cooperation with non-governmental organisations.

CONCLUSION

Estonian waste policy has been one of the most problematic areas in environmental policy as a whole. Although the main legal acts were adopted before the beginning of the EU accession negotiations, the misfit of the whole system was rather large: this generated a large number of new or amended legal acts. An interesting aspect of the packaging waste policy was the involvement of interest groups in the whole policy process. Firstly, the number of interest groups (especially the non-governmental organisations) was much larger. Secondly, the process was much more open than in the case of nature protection policy: the information was more available, the discussion was more open. This in turn might have contributed to almost no public protests against the planned changes.

In addition the cooperation between different levels of government was better. As local governments have important responsibilities in organising the waste management within their own administrative areas, they were closely involved in the process. However, a question remains: does that help to increase the administrative capacity of local governments.
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