

Tomáš Taraba Deputy Prime Minister and Minister of the Environment of the Slovak Republic Ministry of Environment of the Slovak Republic Námestie Ľ. Štúra 1 812 35 Bratislava Slovak Republic 22 August 2024

## Joint letter on the proposed changes to the Deposit Return System for single-use beverage containers in Slovakia

The undersigned organizations would like to express their strong concerns regarding the proposed <u>amendments</u> to the Slovak legislation on the Deposit Return System for One-way Beverage Packaging (hereafter referred to as "DRS") submitted recently by the Ministry of Environment of the Slovak Republic. As it has been highlighted in the submission in the public consultation on 14/08/2024 by associations representing the obliged producers and retailers, we are also of the view that the proposed changes would go against a number of the principles established in the Slovak and EU legislation, in particular the concept of extended producer responsibility (EPR) and the minimum requirements for DRS as set out in the proposed EU Packaging and Packaging Waste Regulation, expected to be adopted soon.

The DRS in Slovakia is established and successfully run by the DRS Administrator, a **nonprofit entity** founded by the Consortium of beverage producers' and retail associations based on the license granted by the Ministry of Environment. Since its launch in 2022, the DRS has achieved significant results in improving the collection and recycling of single use beverage packaging, exceeding legal targets and bringing the collection rate for this waste stream to above 90% already in 2023, many years ahead of the mandatory EU targets (77% in 2025 and 90% in 2029 as prescribed by the EU Single-Use Plastics Directive). The DRS also significantly contributed to the reduction of littering from single use beverage packaging in Slovakia. In the summer of 2020, before the introduction of DRS, cans represented 20.5% and PET bottles 15% of collected litter. By the autumn of 2022, following



the introduction of the DRS in January 2022, the share of cans was already only 3.8% (and 2.2% in 2023) and the share of PET bottles was 5.3% (and 3.2% in 2023)<sup>1</sup>.

## Consequently, the Slovak DRS is clearly one of the leading examples of a wellorganized DRS and serves as an inspiration for many other European countries which are preparing to establish their own DRS.

It is against this context that the draft amendments to the Slovak DRS legislation submitted by the Ministry of Environment of the Slovak Republic would, if implemented, mean significant changes in the management of the system. The amendments would indeed give the Ministry the right to change the founding documents of the DRS Administrator as well as unilaterally recall and nominate its Board members. Such changes would enable the Ministry to de facto take control over the DRS Administrator. As a justification, the Ministry cites a need to increase transparency and improve state oversight of the system.

However, as the system already meets and overachieves the goals set out for it in the legislation and delivers regular reports to the Ministry (which have not been disputed and where no discrepancy was raised), there is no convincing reason or justification for such changes. Moreover, the level of state oversight is in line with that of other successful DRS system, like Norway or Denmark. The **current DRS legislation already enables the Ministry to exercise strong oversight of the DRS Administrator**, notably through its nominees in the Supervisory Board.

Based on an initial legal review of the draft amendments, it is our view that the proposed changes violate or may put at risk multiple legal principles enshrined in the Slovak Constitution, Slovak legal system, and EU law. For example, the associations representing the obliged producers and retailers could de facto, as a result of these changes, lose control over the DRS Administrator, which they would nevertheless continue to own and bear final responsibility for. Such a change from an industry-run system into a State-run system violates the very basic principle of the extended producer responsibility for their packaging waste. The obliged producers could also end up in a situation where they are effectively deprived of the possibility to participate in the management and activities of the Administrator. Finally, the proposed amendments also pose a risk to the independence of the scheme and the transparency of the fees (requirements "f" and "o" in the PPWR DRS minimum requirements).

<sup>&</sup>lt;sup>1</sup> https://www.odpady-portal.sk/Dokument/107610/volne-pohodeny-odpad-littering-analyzaenvipak.aspx



Last but not least, contrary to the announced intention of making the system more efficient, the proposed changes risk jeopardizing the high performance of the system and thus its ability to fulfil legislative targets.

We would therefore like to call upon the Ministry of Environment of the Slovak Republic to withdraw the draft amendments to the DRS legislation and focus on fully utilising the existing oversight and control powers it already holds within the DRS Administrator.

We would also like to express our support to open and sincere discussion between the Ministry of Environment and the DRS Administrator and the obliged producers regarding any reservations or potential concerns the Ministry might have regarding transparency and achievements of the DRS so far. This discussion may also include plans for the upcoming years, based on data and facts. We strongly believe the situation can be solved in a consensual and satisfactory way without the need to change fundamental principles of the very successful DRS in Slovakia.

Signatories:

- The Brewers of Europe
- EUROPEN The European Organisation for Packaging and the Environment
- European Aluminium
- Fair Resource Foundation
- Metal Packaging Europe
- NMWE Natural Mineral Waters Europe
- Reloop
- UNESDA Soft Drinks Europe
- Zero Waste Europe