



ENSURING THAT POLLUTERS PAY

Romania

Romania's revenue from environmentally relevant taxes are lower than average in the EU. Environmental taxes stood at 2.12% of GDP in 2019 (EU-27 average: 2.37 %). The largest portion of the environmental taxes were the energy taxes at 1.98% of GDP, against an EU average of 1.84%. Transport taxes represented 0.104% of GDP (EU average being 0.45%). In the same year, the environmental tax came to 7.91% of total revenues from taxes and social security contributions (well above the EU average of 5.76%).¹ Romania has no taxes on pollution and resources, but another economic instrument has been introduced to encourage recycling, which is a deposit-refund scheme. This is described further on.)

Further options

Pay-as-you-throw scheme to increase rates of reuse and recycling

With the current low recycling rates (14%) and high landfill rate (70%), Romania could consider introducing a Pay-as-you-throw scheme (PAYT) to improve separate collection. There have been PAYT trials in a number of locations including: Bucharest, Timisoara, Oradea and Iasi. Prepaid bags/containers could be introduced to help local authorities overcome the financial barriers for upgrading

their waste fleet; these bags/containers should only be purchased directly from the municipal authority and should be appropriately identified or labelled.

According to modelling, a PAYT could have small negative effects on GDP, but when revenues are recycled, depending on the scenario, this could result in an increase in GDP of 0.07% and an increase in employment of 0.08% (2030).

DEPOSIT-REFUND SYSTEM



Several requirements regarding the application of deposit-refund system for reusable packaging were integrated in the Romanian legislation starting with 2019. The deposit-refund system is 0.5 RON (~ 0.1 EUR) per reusable primary packaging with volumes between 0.1 l and 3 l, used for products intended for human consumption.

The definition and the establishment of the deposit-refund system for non-reusable packaging are in development, so that in December 2020 public consultations and debates took place on the Government Decision to be approved at the end of this year.

The project mentions that a guarantee of 0.5 RON (~0.1 euro) for each type of packaging made of glass, plastic or metal, with volumes between 0.1 l and 3 l (which are used for placing on the national market different beverages such as beer, alcoholic beverage mixes, cider, other fermented beverages, juices, nectars, soft drinks, mineral waters and drinking water of any kind, wines and other alcoholic drinks).

What it does

Through this deposit-refund system, the environmental authorities aim to **increase the level of waste collection to 90%**.

According to the system defined by the draft of

Government Decision, the quantities of non-reusable packaging waste returned to stores will then be transported to regional sorting centres and then to recyclers.

The entire in-store waste collection infrastructure will be organized by a single system operator, as in the states where the system is already implemented. This operator will be a non-profit entity in which that will include producers or their representatives, but also retailers.

The Government Decision will enter into force on January 1, 2021 and stipulates that the entire infrastructure will be completed within one year from the date of selection of the national system operator.

Beverage packaging that will be subject to the deposit-refund system in Romania, recently put up for public debate, will no longer have to be declared to the Environmental Fund Administration (AFM) and will no longer be subject to recycling targets.

How did it come about

The national policy in the field of waste management in Romania must subscribe to the objectives of the European policies regarding the prevention of waste generation and should aim to reduce resource consumption and practical application of the waste hierarchy.

According to the "Study on the evaluation of the deposit-

refund system, part of the waste management system in Romania”, elaborated by the Academy of Economic Studies in Bucharest in 2020, approximately 5.2 million tons of municipal waste are collected in Romania. More than 86% of the waste collected is disposed to landfill and only 13% of the total amount of waste is recycled. Due to the low recycling rate the deposit-refund system enhances the recycling and recovery waste in Romania. The implementation of this system aims to substantially increase the recycling rate of packaging in Romania.

The decision to implement this system is based on studies, analyses and consultations with stakeholders in several relevant conferences.

Stakeholder involvement

Several consultations and conferences have taken

place over time that integrated stakeholders and their needs in establishing the most feasible approach to a deposit-refund system for non-reusable primary packaging. According to the national legal requirements, after publication, the draft of Government Decision was publicly debated, receiving comments and proposals for amendment from various stakeholders.

The comments and proposals are all accessible here: <http://www.mmediu.ro/articol/mmap-supune-dezbaterii-publice-proiectul-de-hg-pentru-stabilirea-sistemului-de-garantie-returnare-pentru-ambalaje-primare-nereutilizabile/3799>

The evaluation of the instrument will be done gradually, so that after one year from the implementation of the system, it will be adjusted if necessary.

WATER SUPPLY AND SEWAGE TARIFF

Depending on the water operator, the citizens must pay the water supply and sewage tariff. There are two types of water service providers in Romania: regional operators and local operators. In 2017 there were 268² licensed operators, of which 45 regional operators.

The provision of water supply and sewage services is made only on the basis of a contract, which can be individual or collective.

Tariffs for public water supply and sewage are composed of:

- ▶ water consumption - a water meter is installed in all places of water consumption and the invoice depends on the water consumption; if there is no water meter, then a lump sum is paid per household member.
- ▶ sewerage charge – the wastewater to be taken from a household / public building / economic operator and surface water drainage collected from a building / property, which drains into the public sewerage system.

The water supply and sewage operator establish the tariffs in compliance with the calculation methodology established by the competent regulatory authority, based on production and operation costs; maintenance and repair costs; depreciation related to fixed assets

in tangible and intangible assets, the costs of environmental protection, the financial costs associated with the contracted credits, the costs deriving from the management delegation contract, and include a quota for the creation of sources for the development and modernization of public utility systems, as well as a profit quota.

What it does

National Administration Romanian Waters has the responsibility to manage all the water resources in a sustainable way and can allocate the right to use the water resources. Surface or groundwater can be used free of charge, in compliance with the sanitary and water quality protection regulations, to meet the needs of households (for drinking, watering, washing, bathing and other household needs), if no installations or installations with a capacity of up to 0.2 litres/second are used.

National Administration Romanian Waters applies the system of contributions and tariffs, fees and specific penalties for water resources management to all water users, regardless of the holders of any title of the water works and installations. The system is based on the user pays principle, cost recovery principle, as well as on the principle of rational use of water resources.

According to the Water Law no 107/1996 with subsequent amendments, the abstraction of surface

water and groundwater is established by a water management permit and license (authorisation). The water management permit and licenses are issued by the National Administration Romanian Waters, the river basin administrations or the water management systems.

Water taxes are meant to promote environmental behaviour of residents and businesses and sustainable use of water based on the long-term protection of available water resources, but there is not enough evidence to say that the fee is sufficiently high to affect behaviour.



Key stakeholders

Associations representing the packaging industry:

<https://www.clcc.ro/>

<http://www.anbr.ro/>

<https://www.berariiromaniei.ro/>

FADI - The Federation of Intercommunity Development Associations was established for the purpose of cooperation and institutional development in the field of waste <https://www.federatiaadi.ro/index.php>

Environmental NGOs

<http://www.cnpcd.ro> National Centre for Sustainable Consumption and Production promotes sustainable production and consumption by adopting and implementing eco-innovative methods, in particular streamlining the consumption of resources and clean production, in all economic sectors. CNPCD runs projects, has many discussions, initiatives and participation in many conferences related to a circular economy topic, including the DRS.

<http://www.ecoteca.ro/> a green NGO specialised in waste management. Some publications of this topic on the website which contains good practice examples: <http://www.ecoteca.ro/sistemul-de-garantie-depozit-cea-mai-eficienta-metoda-recuperare-ambalaje.html> and <http://www.ecoteca.ro/sistemul-garantie-depozit-exemple-succes.html>

Zero Waste Romania, together with other civil society organisations, produced a position paper and submitted this in the consultation process on the deposit-refund scheme. It can be found here: <https://www.zerowasteromania.org/cat/resurse/documente-de-pozitie/>

Newspaper articles, news sites, videos

The debate on DRS can be found in the following articles:

<http://www.mmediu.ro/articol/comunicat-de-presammap-a-finalizat-definirea-sistemului-prin-care-90-din-deseurile-reciclabile-din-romania-vor-fi-colectate-si-procesate/3798>

<https://www.green-report.ro/dezbatere-garantie-depozit/>

<https://www.greennews.ro/article/din-1-ianuarie-2021-sistemul-de-depozit-returnare-pentru-ambalaje-va-fi-functional-si-in-romania>

<http://www.mmediu.ro/articol/primul-studiu-romanesprivind-implementarea-sistemului-garantie-depozit/3218>

https://www.youtube.com/watch?v=p11113B-Dcc&feature=emb_logo&ab_channel=RedactiaCDG

¹ https://ec.europa.eu/eurostat/databrowser/view/env_ac_tax/default/table?lang=en

² Competition Council, http://www.consiliulconcurentei.ro/uploads/docs/items/bucket14/id14626/raport_ap-consultare_publica-07052019.pdf

Linguistic version	Media/Volume	Catalogue number	ISBN	DOI
EN PDF	PDF/Volume_01	KH-05-21-197-EN-N	978-92-76-38860-9	10.2779/206516