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|  Regulatory Policy Committee | OPINION | |
| Impact Assessment (IA) | Recast Directive 2012/19/EU on Waste Electrical and Electronic Equipment (WEEE) | |
| Lead Department/Agency | Department for Business, Innovation and Skills | |
| Stage | Consultation | |
| Origin | European | |
| IA Number | BIS 0382 | |
| Date submitted to RPC | 12/02/2013 | |
| RPC Opinion date and reference | 22/03/2013 | RPC12-BIS-1536(2) |
| Overall Assessment | AMBER | |
| <p>The IA is fit for purpose. The robustness of the assumptions relating to the estimated cost of meeting the recovery and recycling targets in the recast WEEE Directive and developing and operating a successful protocol will need to be tested during the consultation.</p> | | |
| <p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p> | | |
| <p><i>Costs and Benefits.</i> This is a revised version of an IA that the RPC has previously opined on (16/10/12). Reflecting the final version of the recast of the WEEE Directive, the IA contains a new (and preferred) option for how the UK will meet the requirements of the recast Directive. This option (option 3) involves developing and operating a mechanism (a ‘protocol’) to quantify robustly the amount of WEEE outside of the (obligated) WEEE system that is treated in line with the Directive’s requirements. These ‘substantiated estimates’ of (non-obligated) WEEE can then be used to count towards Member States’ collection targets. This would appear to offer significant potential cost savings compared to the previous preferred option (option 2) of bringing such (non-obligated) WEEE into the obligated WEEE system. These savings are estimated in the IA to be very large (see below). However, the size of these savings appears to be significantly dependent at this stage on key assumptions. These are highlighted below.</p> | | |
| <p>The present value of the cost of option 3 is £8m, compared to £69m for option 2. This differential is driven by two factors:</p> | | |
| <p>i) <i>Recovery and Recycling.</i> The recast Directive includes introduction of recovery and recycling targets to an additional category of WEEE and increases recovery and recycling targets by 5% in 2015. Meeting these requirements is estimated to cost £48m in option 2. This cost is assumed to be zero in option 3 as the Assumptions and Risks section (para 268 on page 71) says: “<i>The unobligated WEEE tonnage recovered...which is not recorded in the obligated WEEE system is enough combined with obligated tonnage to meet the WEEE recast collection, recovery and recycling targets</i>”.</p> | | |

- ii) *Changes to the WEEE collection target.* Meeting this requirement is estimated to cost £13m in option 2. In option 3 this requirement is met through the 'protocol' referred to above and this is estimated to cost £0.35m (based on Waste and Resources Action Programme estimates). Paragraph 191 states that "*it is envisaged the methodology will calculate a figure for unobligated WEEE.*"

The robustness of the assumption that there will be sufficient non-obligated WEEE (combined with the obligated WEEE) to meet the WEEE recast recovery and recycling targets without additional treatment costs will, in particular, need to be tested during the consultation. Similarly, the robustness of the cost estimates for developing and operating a successful protocol will also need to be tested. The consultation will need to be used to strengthen the evidence base for the key assumptions in the IA, to justify the large cost differential between the options.

Have the necessary burden reductions required by One-in, Two-out been identified and are they robust?

As this proposal is of European origin, with no evidence of going beyond minimum requirements, it is out of scope of 'One-in, Two-out' in accordance with the current methodology (Better Regulation Framework Manual paragraph 2.9.8 ii). However, this is dependent upon it being shown that the proposed protocol will not over or under-implement the recast Directive. The OITO treatment of the proposal will need to be confirmed at final stage. Even if this is out of scope of OITO, as an EU measure an EANCB will still need to be provided at final stage, in line with current guidance.

Signed



Michael Gibbons, Chairman