2nd roundtable: economic instruments: how to make recycling financially viable?

Joachim QUODEN
Managing Director of EXPRA

COLLECTORS final conference (webinar)
17 November 2020
7 years existence

27 MEMBERS & Partners all industry-owned, non-profit

HAVE over 25 YEARS of experience and expertise in the waste management field

ENSURE RECYCLING AND RECOVERY of over 20 MILLION TONNES of packaging every year

PROVIDE over 200 MILLION PEOPLE with packaging collection, sorting and recycling infrastructure

EXPRA in a nutshell
EPR’s role in a circular economy

Operational AND financial responsibility

EPR Producer Responsibility Organisation

Contract agreements

Financed by fees

Extended Producer Responsibility Alliance

New products

Recycling/recovery

Material for new products

Packaging manufacturer

Filler/bottler

Packed product

Consumer

Retail trade

Local Authority’s Waste Management Company Collection & Sorting

Operational AND financial responsibility
The design of each national EPR System and each PRO is determined by:

- (The EU legislation (WFD / PPWD / SUP))
- The respective national implementation
- Obliged industry in a respective country if and when owning the PRO respective the third partly owning the PRO’s
- Local authorities who usually decide about the concrete collection (and sorting) system in their district
### Implementation of the EU Packaging Directive

#### 3 countries without any compliance scheme => Taxes
- Denmark, Hungary, Croatia

#### Trading of certificates
- UK, (Poland)

#### 36 European Countries

#### Tax versus EPR continuous discussion
- Ukraine, Russia?

#### 1 country with Fund Scheme run by industry
- Iceland

#### 30 with Producer Responsibility
- Austria, Belgium, France, Spain, Germany, Ireland, Cyprus, Luxembourg, Portugal, Sweden, Greece, Latvia, Malta, Lithuania, Czech Republic, Slovak Republic, Italy, Slovenia, Estonia, Romania, Bulgaria, Turkey, Norway, Finland, Serbia, Israel, Netherlands, (Poland), Macedonia, Bosnia I Herzegovina
Plastic Recycling Quotas in 2017
old measurement point / no check of reporting
Applying an average additional loss rate to the current reported performance
But, corrections because of “not correct” reporting still have to be applied (it seems that some MS have reported collected and not input to recycler)
# EPR - several ways of implementation

<table>
<thead>
<tr>
<th>EPR System in hands of obliged industry</th>
<th>Competing PROs</th>
<th>'Tradable Credits' Model with several traders</th>
<th>Several PRO's sharing infrastructure</th>
<th>PROs acting in different areas</th>
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<tr>
<td>(BE, ES, IT, NL, NO, CZ, FR, IE, LU)</td>
<td>(DE, AT, PT, LT, SV, SK, PL, RO, BG, ....)</td>
<td>(UK)</td>
<td>(DE, AT)</td>
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<td>PROs have established parallel infrastructure</td>
<td>Operational responsibility fully with local authorities</td>
<td>Collection and sorting with local authorities</td>
<td>EPR system in parallel to a deposit system</td>
<td>One comprehensive system for all (household) packaging</td>
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<td>No EPR for commercial packaging</td>
<td>Same rules for all packaging</td>
<td>Dual system approach</td>
<td>Shared cost approach</td>
<td>Incentive cost approach</td>
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<td>Obliged entity are fillers (and importers)</td>
<td>Obliged entity is the packaging producer (and the importers)</td>
<td>Obliged entity is the whole value chain by percentages</td>
<td>Special EPR system(s) for commercial packaging</td>
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**Article 8a**

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<th>Sets out general, minimum requirements for EPR with regards to:</th>
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<tr>
<td>• Roles and responsibilities</td>
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<td>• Target compliance</td>
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<td>• Reporting</td>
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<tr>
<td>• Equal treatment of producers</td>
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<tr>
<td>• Information to waste holders targeted by EPR schemes &amp; Member States</td>
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<tr>
<td>• Transparency</td>
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<td>• Cost coverage</td>
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<td>• Eco-modulation</td>
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<tr>
<td>• Efficient &amp; necessary costs</td>
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<tr>
<td>• Monitoring and enforcement</td>
</tr>
<tr>
<td>• Independent Oversight in case of competition</td>
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<td>• EU &amp; National Dialogue platforms</td>
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How can we fulfil all the new targets?

- **European Union:**
  - Reliable, clear, long-term and stable policy direction and steering
  - Preserving the Internal Market, enabling a level playing field for companies
  - Improving existing legislation when gaps and shortfalls are identified following facts and scientific data and findings
  - Analyzing the effects of the approved legislation before starting to develop new legislation
  - Helping Member States to implement the existing legislation
  - Enforcing the existing legislation
  - Establishing the common platform for sharing best practices
How can we fulfil all the new targets?

- **Member States:**
  - Increase the collaboration with the European Commission when drafting new legislation by making aware of the real local situation, notably when it comes to the abilities and needs to implement new and existing EU rules.
  - Quick and efficient transposition and implementation of new EU waste legislation based on best practices (trying to avoid national experiments and stand-alone ideas but rather looking for alignment and harmonization).
  - Decrease or even stop landfilling asap (current deadline of 2035 is too far).
  - Establish the required national EPR dialogue platform asap (under EU).
  - Adapt national legislation asap when gaps and shortfalls are identified.
  - Establish a national independent organisation in charge of monitoring.
How can we fulfil all the new targets?

• Packaging Value Chain:
  • Continue and increase the collaborative approaches to increase the circularity of packaging like
    • HolyGrail 2.0 - Pioneering Digital Watermarks for a Circular Economy
    • CEFLEX - DRIVING TOWARDS CIRCULAR ECONOMY
    • Close the Glass Loop - bringing together the entire glass packaging ecosystem
    • 4EverGreen - Perfecting circularity together
    • Circular Plastics Alliance – voluntary pledge for 10 Mio t recyclates
How can we fulfil all the new targets?

- **Obliged companies:**
  - Optimize your packaging continuously to decrease the environmental footprint of the packaged products
  - Apply design for recycling guidelines for packaging
  - Engage in national and international platforms
  - Pass the circularity message to your customers to explain changes made and how to recycle products
How can we fulfil all the new targets?

- **Local Authorities:**
  - Implement separate collection for all appropriate waste streams including packaging, WEEE, batteries, bio waste and textiles following best practices in alignment with EPR systems
  - Communicate and raise awareness with your inhabitants in close cooperation with the EPR schemes active in your community
  - Introduce incentives to increase the motivation of your citizens to sort and separate correctly, including PAYT etc
  - Accept recommendations from industry stakeholders especially when receiving funding
  - Increase enforcement towards littering and wrong sorting – introduce fines when necessary
  - Liaise with national independent organisation in charge of monitoring to ensure compliance
How can we fulfil all the new targets?

• **Waste management companies & recyclers:**

  • Invest in technologies that are state of the art
  • Increase the recycling and treatment capacities asap
  • Invest in innovation
How can we fulfil all the new targets?

- **EPR Systems / PRO’s:**
  - Secure the necessary funding so that investments into a sufficient infrastructure for collection, sorting and recycling can be done asap
  - Increase innovation in collection ("iBins"), sorting (HolyGrail) & recycling (chemical recycling)
  - Introduce appropriate fee modulation systems
  - Establish a sufficient reporting, monitoring and traceability system both upstream and downstream
  - Increase the efforts of communication and awareness raising with citizens
  - Cooperate closely with all stakeholders of the packaging circle
How can we fulfil all the new targets?

• Citizens / Inhabitants:
  • Be aware that you have the power when purchasing and consuming
  • Check reusable options if they apply to your needs and make sense
  • Correctly sort your packaging and the other valuable materials
  • Never litter
PARTNERSHIP IS KEY TO SUCCESS
Contact

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Profession: Independent Lawyer since 1995

10/92 – 01/93 German Ministry of Environment, EPR department
02/93 – 06/06 German Green Dot scheme DSD, i.e. Syndicus + Head of International Affairs
10/00 – 02/13 Secretary General respective Managing Director of PRO EUROPE
01/00 – … Member of the OECD expert group on EPR
04/13 – … Managing Director of EXPRA
10/13 – … Chair of ISWA WG Governance & Legal Issues & Member of ISWA STC
04/15 – … Member of the Product Stewardship Institute Advisory Panel (Boston, US)
01/18 – … Member of the EC Expert Group on Circular Economy Financing
06/18 – … Board Member of the CEFLEX project
06/19 – … Chair of the ISWA EU Group
EXPRA beliefs: How to make EPR successful? (1)

- EPR is one tool within a comprehensive policy approach;
- Different stakeholders should have clear roles to play, ensuring no conflict of interests!
- EPR organisations should be run by obliged companies on a not-for-profit basis;
- Focus on separate collection and collection infrastructure for inhabitants is key for the success of the system!
EXPRA beliefs: How to make EPR successful? (2)

- Ensure transparency of operations and data;
- Calculate the fees for all materials covered in a fair manner;
- EPR organisations should control the use of the fees collected, and influence infrastructure design if necessary;
- Packaging optimisation, design-for-recycling, clear communication and education of inhabitants and company representatives are essential parts of successful EPR systems;
- Continuously improve system performance;
Our Members – non-profit 26 PROs

Detailed info about each member of EXPRA:
EXPRA – External Activities

**EU coordination group** for the Circular Economy Stakeholder platform (via EcoEmbes)

**EU expert group** "Support to Circular Economy Financing"

**OECD EPR Expert Group**

**CEFLEX**
Steering Committee & Working Groups

**ISWA**
STC / Chair ISWA WG Governance & Legal Issues / Chair ISWA EU Group

**Clean Europe Network**
friendship

**Circular Plastic Alliance**
Co-chair Packaging WG

**Chemical Plastic Alliance**
Member

**Holy Grail 2.0**
Member

**Close the Glass Loop Initiative**
Founding Member
Our EXPRA mission

To enable members to continuously improve their services by ensuring low costs to their client companies and convenient infrastructure for inhabitants.

To provide a platform for exchange of experience and know how for our members but also for other stakeholders.

To promote a sustainable and efficient, not-for-profit/profit-not-for-distribution EPR scheme, driven by the obliged industry and offering a service of public or collective interest.
THANK YOU!