Extended Producer Responsibility: Status in Europe

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Presentation outline

1. Introducing ACR+ and the EPR Club
2. What is EPR?
3. Extended Producer Responsibility in Europe
   a) EU legislation on EPR
   b) Implementation of EPR in EU Member States: waste streams & schemes
   c) Economic & technical performance of EPR schemes:
   d) EU legislation on EPR: Further developments?
ACR+
Network for local & regional authorities

• +/- 90 members
• 23 countries
• >1000 LRAs
From waste to resources...

Linear economy

Resources → Production → Consumption → Waste

Throw away society!!!!

Chain economy

Resources → Upcycling → Sustainable Consumption → Close the loop

Better... but not ideal!!!!

Circular economy

Resources → Downcycling → Reduction → Upcycling

Sustainable Consumption

From waste to resources
Territorial Hierarchy

SHORT CYCLE FIRST
Local and Regional Authorities = Key Actors

Local & Regional Authorities

- Planning
- Green public procurement
- Behavioural change
- Re-use centers
- Selective collection & recycling
- Monitoring control
- Eco-parks SME support
- Subsidies
- Local taxes
- PAYT system
The EPR Club

- Founded in 2012
- EPR Club Secretariat hosted by ACR+
- Multi-stakeholder platform:
  - Public authorities at all levels
  - Producer Responsibility Organisations
  - Waste management companies
  - Material federations
  - NGOs
  - Producers
- Key platform on European level for the discussion amongst all stakeholders concerned, including European Commission
The EPR Club - members
The EPR Club

Objectives:

- Furthering dialogue on the EU policy developments and technical implementation of EPR schemes throughout Europe
- Exchange views & debate
- Improve knowledge about EPR policies and practices
- Contribute to the debate on the European level & help bringing forward European legislation on EPR.

Activities:

- Bimonthly lunch debate & annual conference
- Virtual library & online working space
What is EPR?

Extended Producer Responsibility (OECD):

“an environmental policy approach in which a producer’s responsibility for a product is extended to the post-consumer stage of a product’s life cycle”

EPR is characterised by

1) the shifting of responsibility (physically and/or economically; fully or partially) upstream toward the producer and away from municipalities; and

2) the provision of incentives to producers to take into account environmental considerations when designing their products.

EPR as a policy instrument aims at targeting the whole product chain.

Objectives:

- Integration of environmental costs
- Improved waste management
- Reduction of disposal
- Reduction of the burden on municipalities
- Design of environmentally sound products
OECD on EPR

OECD work on EPR

- Objective: identify the legal and administrative issues when developing and implementing EPR

- 2001: Guidance Manual for Governments on EPR

- Currently review and update of guidelines
  - Cost & environmental effectiveness of EPR and its overall impact on the market
  - New challenges and opportunities for policy makers designing of EPR policies:
    - increasing connectivity and interdependence of the world’s markets
    - emergence of new economic powers
    - rise of technological innovations and internet sales

EU legislation on EPR: Status Quo

Since mid-1990s

- EPR in waste legislation

2008
Waste Framework Directive

- Sets some principles regarding the implementation of EPR

2011
Roadmap to a Resource Efficient Europe

- Encouraging further steps in EPR in EU legislation and on national level

2012

- EPR should be used more → turning waste into a resource
EU legislation on EPR: Status Quo

- **Packaging Directive**: 1994
- **ELV Directive**: 2000
- **Batteries Directive**: 2006
- **WEEE Directive**: 2012

Introduction of EPR as a policy principle

➢ Review of waste legislation currently ongoing
### EU directives
- End-of-Life vehicles
- WEEE - Waste Electric & electronic equipment
- Batteries
- Packaging

### Member States
- **End-of-life vehicles** (24 EU Member States)
- **WEEE** (EU28)
- **Batteries** (EU28)
- **Packaging** (26 EU MS)
- **Tyres** (20 EU MS)
- **Graphic Paper** (11 EU MS)
- **Oils** (10 EU MS)
- **Medical wastes, old/unused medicines** (10 EU MS)
- **Agricultural film** (8 EU MS)
- **Other schemes**

EPR in the European Union - schemes

• EU legislation: global framework for implementation of EPR
• Member States are responsible for implementation of EPR & regulation of operational aspects
  → Large variety of implementation models in EU Member States:
    → Obligations often exerted collectively, through Producer Responsibility Organisations (PROs)
    → Differences in the type of responsibility, cost coverage, implementation procedures, reporting, etc.

Main functions of PROs:
1. financing the collection and treatment of the product at the end of its life (targeted waste stream) by collecting fees and redistributing the corresponding financial amounts;
2. managing the corresponding data;
3. organising and/or supervising these activities.

2 main evolutions of EPR in the last 10 years:

- where the initial fees paid by producers represented only a partial contribution to solid waste management costs
  → the **operational costs coverage by producers fees gradually increased**

- where the PROs were initially created as entities whose role was merely to aggregate the producers financial contribution
  → **PROs role drifted towards more operational interventions and a broader scope of action**
    (data management, organising operations, launching bids, communication campaigns, etc.).

→ Lead to improvements in waste recycling and recovery performances in all Member States

EPR in the European Union – type of schemes

- What is covered?
- How much is covered?

- Kerbside
- Bring banks

- Household
- Commercial
- Industrial

- Responsibility: Individual or collective?
- 1 or several PROs? Competition?
- Geographical coverage

- Type of waste covered

- Cost coverage
- What is covered?
- How much is covered?

- Organisational
- Collection method
- Type of waste covered
### EPR in the European Union – packaging schemes

<table>
<thead>
<tr>
<th></th>
<th>Performance</th>
<th>Organisational features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycling, recovery &amp; reuse rate</td>
<td>Cost coverage</td>
<td>Type of responsibility</td>
</tr>
<tr>
<td>AT</td>
<td>relatively high (92%)</td>
<td>100% collection &amp; treatment</td>
</tr>
<tr>
<td>BE</td>
<td>high (96%)</td>
<td>100% collection &amp; treatment</td>
</tr>
<tr>
<td>CZ</td>
<td>relatively high (78%)</td>
<td>100% collection &amp; treatment</td>
</tr>
<tr>
<td>DE</td>
<td>high (96%)</td>
<td>100% collection &amp; treatment</td>
</tr>
<tr>
<td>FR</td>
<td>moderate (70%)</td>
<td>57% collection &amp; treatment</td>
</tr>
<tr>
<td>NL</td>
<td>high (97%)</td>
<td>100% collection &amp; treatment</td>
</tr>
<tr>
<td>UK</td>
<td>moderate</td>
<td>5-10% collection &amp; treatment</td>
</tr>
</tbody>
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Barriers for comparison

→ Severe lack of comparable information available
  - EPR economic performance: lack of transparency regarding the financial aspects (fees and costs) of EPR schemes
  - EPR technical performance: very diverse ways of calculating data makes data hardly comparable (data regarding quantities put on the market, waste generated and collection and treatment)

→ Discrepancies in performance indicators

→ Other aspects interfere with technical and economic performance:
  - population density
  - historical development of waste collection and treatment infrastructure
  - awareness and willingness of the public to participate
  - complementary economic or fiscal tools

Large discrepancies between MS for both technical and economic performances

**Technical performance**
- Collection rates (for oils, batteries and WEEE) are extremely variable from one country to another:
  - 5% - 70% collection rates
  - Never more than 80% collection rates (exception: oils - 100% collection rates not unusual
- Development of EPR fostered achievement of reasonably high recovery targets

**Economic performance**
- Assessment only possible for packaging, batteries and WEEE, and based on average data
- Batteries: Majority < 1,000 €/t for portable batteries, variations from 240 €/t (FR) to 5,400 €/t (BE)
- Packaging: Average fees charged to producers range from 14 €/t to 200 €/t, average of 92 €/t
- WEEE: Tariffs are not set up in the same way → important discrepancies appear

Cost effectiveness of EPR schemes for portable batteries in 2011

EPR in the European Union - performances

Cost effectiveness of EPR schemes for packaging (2010 or 2011)

Is there such thing as a ‘best performing’ EPR model?

Comparison of performance of six different streams is very challenging

- Scope
- Data availability and confidentiality
- Methods for data collection and reporting

Common conclusions from analysis:

- Best performing ≠ most expensive schemes
- Fees vary greatly → reflect difference in scope and cost coverage, or in the actual net costs for collection and treatment of waste (or both)
- **No single EPR model emerges as the best performing and the most cost-effective**

Why?

- Comparison impossible
- Costs and performances are influenced by many factors, including external factors as explained before

Guiding principles BIO study

1. The **definition and objectives of EPR** should be clarified
2. The **responsibilities and roles** of each actor should be clearly defined throughout the whole product life cycle
3. The design and implementation of an EPR scheme should at least ensure the **coverage of the full net costs** related to the separate collection and treatment of end-of-life products.
4. **Fees** paid to a collective system by a producer should **reflect the true end-of-life management costs** of its products.
5. Notwithstanding the way competition takes place, a **clear and stable framework** is necessary in order to **ensure fair competition**, with sufficient surveillance and equal rules for all, supported by enforcement measures (including sanctions).
6. **Transparency** is required on the performance and on EPR scheme costs.
7. Key **definitions** and **reporting modalities** should be **harmonised** at the European level
8. **Public authorities and the obligated industry** should be **co-responsible for the monitoring and surveillance** of EPR schemes, and should ensure that adequate means for enforcement are in place.

European Commission will most likely propose **minimum requirements to be respected by MS when developing and applying EPR in 2015**:

- Definition of the **roles and responsibilities** of the actors
- Defining **measurable targets** and a **reporting** procedure
- Information, **transparency**, dialogue
- Full **cost coverage**, link between product qualities and fees paid
- **Recognition procedure** for EPR schemes
- System of proportionate **sanctions** if targets are not met
EU legislation on EPR: Further developments?

Stakeholders voices: Minimum requirements at EU level absolutely essential

- Clear definition of responsibilities and roles of each actor
- Minimum rules on the cost coverage of EPR schemes (though different opinions on what and how far)
- Transparency
- Harmonisation of key definition and reporting modalities
- Monitoring, evaluation, and audits
- Ambitious and clear targets
- Scope (geographical scope, types of materials covered)
- Consumer information
• Extended Producer Responsibility was introduced as a principle in the European Union legislation with the aim of harmonising and preserving the internal market
• Today EPR is considered as a key element in European Waste and Resource policies moving towards a Circular Economy
• Implementation in EU Member States varies greatly, even for waste streams with EU legislation
• Performances of EPR schemes in EU Members States vary significantly too
• Comparison of performance is difficult
• Main findings:
  • Best performing schemes are not the most expensive ones
  • Great variation in fees
  • There is no EPR model that performs best and is most cost-effective
    → No “one size fits all” solution
• Further developments on EU legislation?
  • EPR plays crucial role for driving the Circular Economy
  • Minimum legal requirements on EU level are needed
    • Definitions, reporting modalities, monitoring, evaluation
    • Responsibilities & roles
    • Cost & cost coverage
    • Transparency
Questions?

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Thank you!

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