

Integrate

Extended

Producer

Responsibility

within the International
plastics Treaty

Common position Paper- November 2022



Editorial

The Extended Producer Responsibility (EPR) model is based on the polluter-pays principle, which aims to include producers of material goods in the management and treatment of waste and keep raw materials and goods in the economic cycle. The integration of EPR schemes in national legislation then sets clear objectives for circular economy: consumer waste prevention, eco-design of materials, optimization of waste collection with local authorities and development of new circular economic systems.

Thus, the structuring of an EPR sector has several advantages; it allows the involvement of all actors, whether public authorities, industries or consumers, in a structured and sustainable framework dedicated to circularity and reduction of carbon emissions. At an international level, EPR deepens the social and environmental responsibility of companies, thanks to the traceability of the value chain and the better coordination of everyone's actions.

Since we consider EPR schemes as the political key to circularity, we therefore advocate for their effective inclusion in the future negotiations of the international treaty on plastics. In particular, we propose the creation of EPR knowledge platforms that will allow national governments to acquire the legislative, technical and financial knowledge to implement a successful EPR model, following existing best practices.

Definition of Extended Producer Responsibility

According to OECD, Extended Producer Responsibility (EPR) schemes are organizational mechanisms for the prevention and management of waste that concern certain types of products and are primarily based on the polluter-pays principle.

This principle emphasizes the idea of extended producer responsibility, according to which producers, i.e., the legal persons responsible for placing certain products on the market (namely producers, brand owners and importers), with government oversight, are made responsible for financing and organizing the prevention and management of waste from these products at the end of their life.

In that respect, it should be remembered that the EPR scheme is not a tax. Contributions from producers are thus directly used by the Producer Responsibility Organisation (PRO). Thus, this contribution didn't require additional budgetary resources from State, and is not "absorbed" into the overall public expenditure.

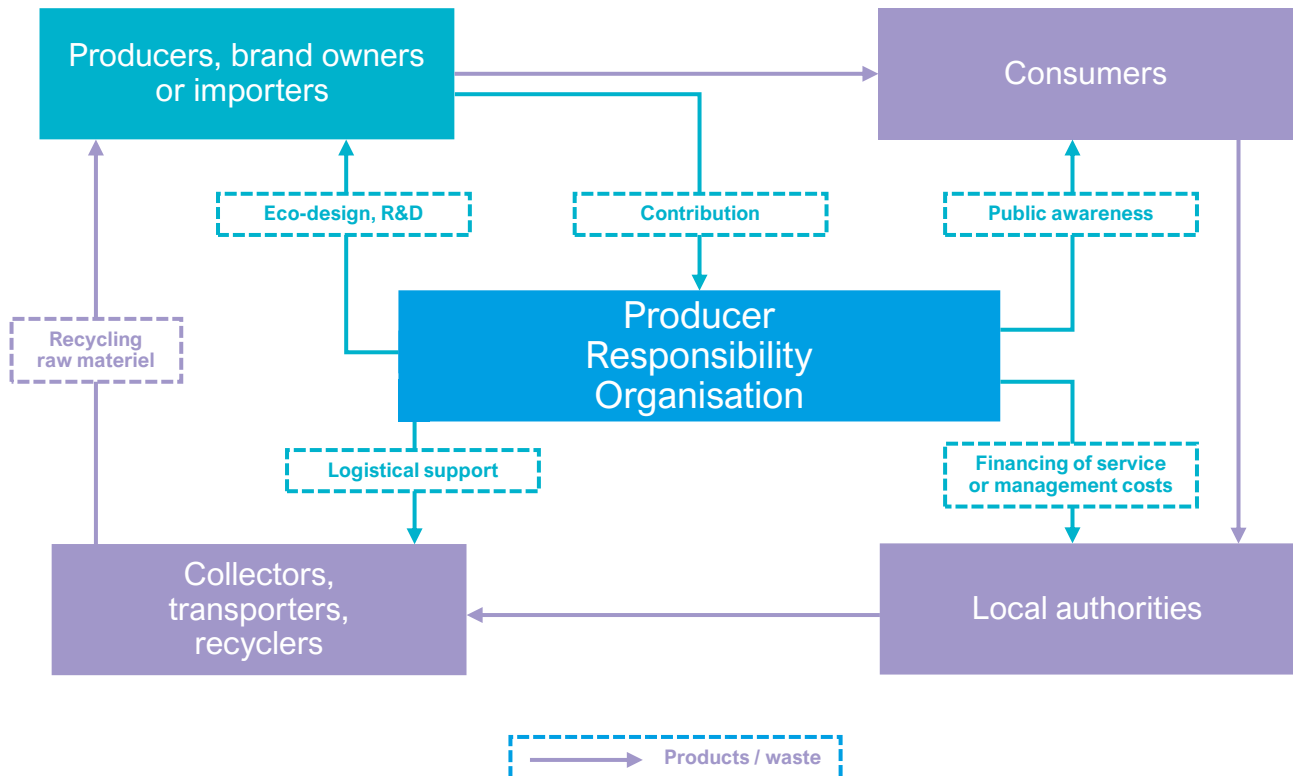
In order to meet the principles of EPR, producers usually organize themselves collectively to fulfill their obligations within the framework of PROs, whether non-profit or for-profit. The mission of these PROs is to meet the challenges of reduction, reuse and recycling in the circular economy, thus playing a key role to the fight against climate change, the preservation of resources and biodiversity, and the reduction of carbon impact of product placed on the market.

To do this, the PROs meet several principles described in this note in order to fulfil their missions, in conjunction with all the stakeholders in the value chain from product to waste (including brand owners, retailers, recyclers, municipalities.).

They thus have several complementary missions:

- waste-prevention and awareness-raising among private consumers;
- limiting littering via collecting and subsequently recycling packaging waste;
- improving eco-design of the combination of product and packaging – in order to meet the climate-biodiversity challenges of life-cycle analyses and new consumer habits;
- collection and sorting in cooperation with the municipalities and waste management companies depending on the administrative, territorial and demographic structures;
- support for the development of new circular economy sectors focusing on reduction, reuse and recycling by R&D to enhance the material value chain from collection to recycling.

Simplified operation of an Extended Producers Responsibility



For several years now, international bodies have been addressing the issue of combating plastic waste pollution (G7 in Charlevoix in 2018, G20 in Osaka in 2019). PROs from all over the world welcome the commitment of civil society, companies and governments to work together to define and build common responses to this global challenge. International cooperation has reached an important milestone with the adoption on 2 March 2022 by the United Nations Environment Assembly of a resolution to end plastic pollution and to reach a legally binding international agreement by 2024. In the wake of these growing concerns, on 28 July 2022, the UN General Assembly adopted a resolution declaring that all people on the planet have the right to a healthy environment, a right that the circular economy can help make real, everywhere and for everyone.

The forthcoming negotiations over the next two years for an international treaty on plastics open up many opportunities. One of these is the issue of Extended Producer Responsibility schemes for the life cycle of products and packaging. Even before the negotiations begin, one thing is certain: all the solutions and tools that will be

included in the final text will be based on concerted action by all the players, on synergies and will require the involvement of all.

Indeed, the recent “Business Coalition for a global plastics Treaty”, coordinated by WWF and Ellen MacArthur Foundation, has created a first group of policy and scientific recommendations for future negotiations. This work will be made by bringing together NGOs, financial institutions and professional organizations from the plastics value chain.

In this context, the Extended Producer Responsibility (EPR) model has a key role to play. EPR systems are an essential instrument to finance the collection and environmentally sound treatment of waste, as well as to support the design and production of goods that consider and facilitate the efficient use of resources throughout their life cycle, including their repair, reuse, dismantling and recycling. PROs, in particular those in charge of household packaging, help to improve the management of the end-of-life of plastic products and packaging but also to encourage reduction at source as well as eco-design.

EPR : a catalyst model for solutions

The first PROs already benefit from more than 30 years of experience in implementing EPR, and visibility on the actions taken and their impacts. This knowledge of the benefits of EPR encourages the deployment of this model on a global level, as it meets many needs. From the start, EPR systems were born out of the need to respond to the challenges of increasing quantities of waste, increasing costs to taxpayers, and the loss of resources that untreated waste represents. Today, their actions allow them to:

- Define, in conjunction with industry/producers national and local authorities, minimum targets for reuse, recycling or recovery when and where relevant;
- Introduce EPR fees at the time of placing on the market to cover the costs of end-of-life management of packaging;
- Modulate EPR fees with incentives and disincentives bonuses and/or penalties, in a way that reflects defined environmental criteria of the product - for example its recyclability - to promote to producers to design their products / packaging. It will facilitates the sorting for inhabitants and the treatment, re-use or recycling in the next steps so that the material stay in the economic cycle;
- Involve companies in the circular economy of their packed products: they are the ones who eco-design the packaging, finance a large part of its collection, sorting, recycling and reuse to turn it into new resources;
- Generate sustainable funding for the waste management service while boosting its efficiency;
- Gain economies of scale and efficiencies to help control costs to consumers;
- Include consumers in this transition to the circular economy by providing convenient separate collection opportunities,

encouraging sorting, good consumption practices and supporting them in new uses;

- In relevant cases, educate consumers about the effects of littering. As such, EPR can encourage municipalities to develop more solutions on littering and waste collection;
- Whenever legally bound to, cooperate with recyclers in order to return the recycled materials to the companies that first placed them on the market in order to enable them to include recycled content;
- In view of the growing relevance of online sales, EPR can develop legal frameworks that force Marketplaces to equally contribute to the prevention and management of waste.

By enabling the responsible end-of-life of waste to be implemented and financed, EPR is a highly effective tool against plastic pollution, helping to reduce dumping in in all environmental compartments. As the **Ellen MacArthur Foundation** pointed out, EPR is a necessary part of the solution: collection, sorting and recycling generally cost more than the materials are worth. EPR is the only proven way to ensure dedicated, permanent and commensurate funding.

Extension and implementation of EPR

Although EPR for packaging is currently the most developed and precise for plastics products, this responsibility could also be extended to other sectors. In the same way, the Treaty could send positive signals for the constitution of EPR schemes towards other materials - adapted to the local context of its implementation

However, in the start-up phase, it is better to keep the complexity very low on all the functionalities (number of materials, eco-modulations, obligated industries, etc.), because the start-up phase is mainly about learning and slowly integrating all stakeholders. The risk of encompassing all the tools at once is

a pitfall that, driven by pressure, can create too much complexity and cause the fail.

Benefits of EPR

To tackle plastic pollution globally and meet the targets that the treaty will set, such funding mechanisms are needed in as many countries as possible. EPR provides dedicated, ongoing funding whereas public funding or voluntary contributions are often unpredictable and dependent on the political capacities and priorities of states.

Furthermore, EPR systems contribute to improving the transparency of the system and its efficiency. They encourage thinking upstream, from the product design stage, via eco-design, about its environmental impact and its end-of-life, notably through eco-modulation. EPR models contribute to the achievement of the [Sustainable Development Goals](#), in particular Goal 12 "Responsible Consumption and Production", Goal 9 "Industry, Innovation and Infrastructure" and Goals 14 and 15 on "Life below water" and "Life on land". In its work on EPR, the [OECD](#) has highlighted the role of this model in increasing recycling rates and reducing public expenditure on waste management. In addition, under an EPR scheme, producers are incentivized to maximise the use of materials throughout the value chain, thereby improving eco-design and reducing the

use of virgin materials and integrating recycled material, thus stimulating competitiveness between virgin and recycled materials.

EPR is a key tool for the promotion of a circular as well as of a low carbon economy due to the fact that recycling contributes to the reduction in the consumption of virgin raw materials. Recycling processes inherently have energy savings characteristics compared with the production of new raw materials from virgin sources (regardless of the packaging material).

The circular economy is a lever to reduce our dependence on raw materials and increase the strategic autonomy of each State. Between 1998 and 2012, the [recycling rate](#) in the EU increased from 47% (EU15) to 65% (EU27). EPR is therefore a strong policy instrument, adaptable to each national context and priorities, to involve all stakeholders in the efforts towards a plastic pollution free world. Indeed, EPR models can be adapted differently depending on the organization of powers and competences for waste management within the states, in particular the competences of municipalities. This implies the participation of each actor from the moment such a system is set up, as well as an adaptation and evolution of the missions entrusted to these PROs according to the challenges.

A global dynamic already underway

EPR is now an international dynamic aimed at co-constructing adequate responses and efficient waste management in a manner adapted to each national context. This process has accelerated over the last decade. EPR systems, while not identical from one country to another, still represent an accelerator of solutions to the problem of waste when adequately and efficiently designed, particularly packaging, and plastic pollution:

- ✓ In Latin America and the Caribbean: many countries, including OECD members such as Chile, Mexico and Brazil, Argentina, Ecuador, Peru, Costa Rica, Bolivia, República Dominicana, Uruguay and Colombia, have legislative frameworks in place to implement EPR systems;
- ✓ In Africa: Kenya and South Africa are in the process of implementing EPR systems in some sectors and gradually extending them to others; countries like Angola, Nigeria and Ghana are looking at ways to implement EPR. In Northern Africa, in Jordan and Tunisia the relevant legislation is on the way and in Israel there is already a system functioning.
- ✓ In Asia: Japan and South Korea have well-established EPR models and China, India, Indonesia and [Vietnam](#) are currently developing their EPR models. Malaysia and Thailand are in the process of developing an EPR for e-waste and packaging
- ✓ In Oceania: Australia has various EPR schemes in place and New Zealand is following the example.;
- ✓ In North America: Most Canadian provinces have introduced EPR for packaging two decades ago. In the USA, several states have announced the establishment of an EPR legal framework in Maine, Oregon, Colorado, California.

Recognizing the role of EPR in pollution control, the Prevent Waste Alliance has sought to highlight the benefits of EPR through the [EPR Toolbox](#), which provides keys to understanding how the model works, shares knowledge and encourages the development of EPR globally. In addition, WWF has initiated [an EPR Academy](#) with the aim to introduce the concept and key elements of EPR schemes, particularly in developing countries.

Social responsibility of EPR

In all of these developments, it is important to emphasize the need to consider the informal sector from the outset of the transition to an EPR system and to link it to wider considerations of the social role of business. EPR should play a social role in integrating semi-formal and informal workers in the waste sector and thereby institutionalizing and improving their working conditions and livelihoods.

EPR is thus also a critical asset that can be put to work on behalf of producers to ensure their ESG concerns, namely under:

- ✓ Environmental compliance (i.e. climate change, air and water pollution, biodiversity, energy efficiency, waste management, forest conservation, water scarcity);
- ✓ Social responsibility (i.e. human rights, clients' satisfaction, choice of suppliers, data protection and privacy);
- ✓ Governance principles (i.e. working principles, audit and track and trace procedures, political relationships, anti-corruption rules, labour laws, amongst other).

Consequently, EPR is a model of corporate accountability that is in line with the increased demands from civil society and policymakers for economic actors to be ever more aware of their environmental and societal role. The proposal for a European Directive to establish a duty of care for companies echoes these considerations for transparency and

compliance with international conventions along the value chain. EPR is a way to strengthen traceability, the establishment of good practices, and the accountability of all actors, from marketers to consumers, for efficient waste management. Materials collected and processed under EPR regimes count among the

most closely monitored waste streams. This traceability is in line with the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, an international treaty designed to reduce the movement of hazardous waste between countries.

Final recommendations

Based on the explanation of the EPR system and the various successes achieved, we thus recommend three main points for future Treaty negotiations:

Mention of EPR as a tool within the Treaty

To best support these favourable international dynamics, the UN international treaty should be able to mention EPR as a tool at the service of States. Moreover, while producers are ready and willing to take over the responsibility, the cooperation of all stakeholders (consumers, collectors & recyclers, authorities,) is a *conditio-sine-qua-non* to achieve our common goal towards a circular economy.

Creation of a knowledge-sharing platform

This global work could be accompanied by the creation of a knowledge-sharing platform, under the aegis of the UN, which would develop expertise for States wishing to implement EPR adapted to their pollution and waste management problems. Although we advocate EPR schemes at an international level, we understand that EPR initiative must be contextualized to current conditions of the market/country in which it is established. This pragmatic approach will allow some ambitious but realistic objectives for manufacturers.

This expertise would be developed along two lines: the implementation of EPR at the technical level and at the financial level. Indeed, we are convinced of the importance of pooling the knowledge and experience of EPR actors worldwide to accelerate the global transition towards a circular economy. The Montevideo Environmental Law Programme hosted by UNEP can be a model initiative to support the development of environmental law at all levels.

A legislation that encourages the financing of collection and sorting systems

EPRs are most often created by a favourable legislative and political framework, and we are convinced that the final text of the international treaty could encourage the establishment of EPRs in more and more countries around the world. This policy and legislative framework is expressed, for example, in national biodiversity roadmaps or in targets for waste reduction, recycling and reuse. Although EPR systems cannot achieve all the objectives on their own, they are nevertheless often crucial relays for these national objectives.

This is particularly true in terms of prevention, awareness raising and mobilization of consumers around the act of waste sorting or in the fight against irresponsibly discarded waste. EPRs are more efficient when they oversee products or packaging in the broadest sense (thus, preferably, EPR systems must cover all materials and not just plastic) and can thus co-construct sustainable and viable recycling solutions and channels for a whole range of packaging and products. We believe in the effectiveness of EPR systems to improve the environmental and ecological life cycle of products beyond the end-of-life phase.

Thus, we hope that the international treaty will mandate the financing of collection and sorting schemes in many countries, through the implementation of Extended Producer Responsibility systems. As we have described, these systems will allow for greater accountability and traceability of waste and effectively combat the release of plastics into the environment. We hope that this treaty can encourage global research and development, which EPRs could help to fund, into the circular economy of packaging in order to provide more sustainable products and alternatives to non-recycled materials

Signatories of the position:

PETCO is a Producer Responsibility Organisation (PRO) incorporated in 2004 as a voluntary EPR organisation to represent the South African plastic industry's effort to self-regulate post-consumer polyethylene terephthalate (PET) recycling.

The **Product Stewardship Institute** is a non-profit advisory organization fuelling circular economy thinking, in particular by bringing together diverse stakeholders to develop EPR policies, programs and laws.

PRO Vietnam, founded in 2019, is a coalition of leading FDI and Vietnamese companies having from consumer goods, packaging, retail, and import industries by promoting a circular economic model through more accessible and sustainable packaging collection and recycling process.



Producer Responsibility Organizations Packaging Alliance (PROsPA) is an Alliance for cooperation and exchange between leading PROs in Europe. PROsPA exchanges closely with stakeholders along the value chain to better understand challenges towards a circular economy, find and implement practice-oriented solutions, promote common principles and provide support and know-how where needed.



Extended Producer Responsibility Alliance (EXPRA) is the alliance for 30 packaging and packaging waste recovery and recycling systems from 28 countries which are owned by obliged industry and work on a not-for-profit basis. EXPRA acts as the authoritative voice and common policy platform representing the interests of all its member packaging recovery and recycling organisations founded and run by or on behalf of obliged industry.



Annex

The following is an illustration of the national possibilities and successes offered by EPR:



France :12 billion in eco-fees since 1992, financing 73% of the gross reference costs of household packaging collection, sorting and processing operations



Netherlands: 2.5 billion of eco-fees since 2008.



Bosnia-Herzegovina: Ekopak has contributed to recycling more than 100 000 tons of packaging waste since 2011.



Eco-contributions to all European household packaging EPRs amount [to 3.1 billion euros](#)



Austria: Around 1.08 million tonnes of packaging and waste paper were collected in Austria from households in 2021, despite the pandemic, the Ukraine war and associated economic effects. 15,000 customers of ARA were able to save remarkable 530,000 tonnes of CO₂-equivalents by the recovery of packaging.



Portugal: 980 M€ spent in support of municipal selective collection and sorting of packaging waste. Over 70 M€ invested in communication, education and awareness campaigns and over 13 M€ invested in research, development and innovation projects.



Belgium: In 2021, thanks to the eco-contributions by the obliged industry, amounting to 200 million euros (€ 17/inhabitant), about 90% of all household packaging in Belgium was collected and recycled.

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