## Welcome to the Global Action Partnership for EPR Webinar

Responsibility for the circular economy: new aspects of EPR and producer responsibility along the lifecycle



We will start in a few minutes!



## **During the event, please:**







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## Global Action Partnership for EPR









**Community** 

www.gap-epr.prevent-waste.net

## **Today's speakers**







Jamie Fry Government Policy Manager Zero Waste Scotland Frithjof Laubinger Environmental Economist OECD Andrew Brown Junior Environmental Policy Analyst OECD

## **Reducing resource extraction and use**

Producer responsibility for the circular economy

David Barnes / Jamie Fry

European Union

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EUROPE & SCOTLAND European Regional Development Fund Investing in a Smart, Sustainable and Inclusive Future

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## **International collaboration**









### **Interconnected crises**









## The role of a circular economy







## The role of a circular economy









By rethinking producer responsibility we can reset material flows within the economy such that materials brought to market now have an intrinsic rather than a commodity value that follows them across their lifecycle.





## **Extended producer responsibility**

EPR programs have been very effective in transforming end-of-life waste management systems, moving away from residual disposal and growing markets for recycling of materials

Recycling in isolation is a poor measure for ensuring an offset of virgin materials and does not measure any of the other activities which contribute a circular economy







Producer responsibility must align to a wider policy framework and support the transition to a circular economy





## **Features of effective producer** responsibility

Placing greatest responsibility for change on the point in the supply chain - producers - with the greatest leverage to implement efficient and effective changes to their products and the way they move through our economies.



Allowing governments to specify the change required, ensuring clarity on expected outcomes.



Providing flexibility for producers to deliver the outcomes set by government, using the strength of the market to drive innovation and promote competition.

Allowing interventions to be designed and targeted to product category or sector level.

Gathering performance data to assess ¥= program impacts, and reassessing performance targets over time.



Strengthening existing EPR programs through updated performance targets and modulated fees, and expanded to incorporate complementary policy approaches.

Expanding fee modulation to incorporate the full costs of consumer goods and materials - upstream and downstream.



**Ensuring EPR schemes complement** and amplify a broader policy landscape aimed at driving circularity, such as the **European Commission's Sustainable** Products Initiative.



Enabling opportunites to learn from successful system implementations and use existing networks to share developing best practice.





## **Reflecting the true cost of products**

There is a need to internalise a much broader range of costs associated with the environmental crises. This would include accounting for the impacts of economic activity on climate change, biodiversity loss, human toxicity, land use, and particulate matter.





## **Requiring a virgin material reduction** target









# Requiring a virgin material reduction target

A compelling target for many product types would be a reduction in virgin material use per item per year As a broader target, producers would have flexibility to decide on the most efficient and effective way for them to deliver the required reduction





# Addressing social and economic inequalities

The role of policy is to manage the transition to a situation where far fewer products are consumed, but those new products are of much higher quality, are more durable, have higher usage rates, and are affordable to those on lower incomes.







## Wider environmental framework







A primary mechanism to address our interlinked crises is a new approach to producer responsibility, one which incorporates a reduction in virgin material target and incorporates environmental costs beyond end-of-life management





## Thank you



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## New Aspects of Extended Producer Responsibility (EPR) 2023 OECD publication

Andrew Brown, Frithjof Laubinger, and Peter Börkey OECD Environment Directorate 10 and 11 January 2024





## The OECD has led research on EPR for thirty years

#### Key reports on EPR Research from 1994



## Waste generation and public ambition for material recovery are growing



Source: OECD Global Material Resources Outlook, based on World Bank "What a Waste 2.0"

There is public ambition to phase out landfilling and increase material recovery, which is putting circular economy on the policy agenda

## EPR for packaging, vehicles, tyres, and electronics has exhibited strengths and constraints

#### **Justifications:**

+cost recovery
+separate collection
+material recovery
+design for the environment

#### Criticisms:

-academia: little evidence of design change
-industry: "costs" or increase in product prices
-some municipalities "loss of control"
-recycling industry "misses demand, consumer behaviour, & relative costs"

## Policymakers are considering how EPR could cover more products and environmental impacts

#### **Additional Products**





**Regional EPR requirements** 



#### **Mitigating pollution**



**Public ambition for** separate collection





Large waste streams



**Design for the environment** 



**Geographic scope of EPR for Second-hand exports** 

## Textiles are a large waste stream with untapped recycling potential

- Product Issues: large waste stream, low recovery.
- Examples: France clothing, US and Belgium mattresses, California carpets.
- Cost recovery: EUR 21.8 in funding for operations in France. California USD 23.4 million for carpets and 46 million on mattresses.
- Separate collection: France 2 kg to 3.7 kg per capita in 2019. Connecticut went from 8.7% to 63.5% (collected weight/placed on market weight).
- EPR Challenges: stubbornly low fibre to fibre recycling rates (e.g. increases in downcycling garments, exports to developing countries).

#### Carpet Recovery rates progression



• Material recovery: France 58% reuse, 23% recycling [mostly garnetting]. 60-77% of mattresses diverted from landfill.

## EPR has traditionally focused on recovery, but impacts occur throughout the lifecycle

- Impacts occur throughout the lifecycle; some are due to producers' choice or action.
- EPR can aim for:
  - Direct reduction of impacts of a product
  - Indirect reduction of impacts (encouraging favourable product characteristics)
  - Extension of geographic scope of EPR

## Extraction & processing

- Reduce upstream impacts:
- Pollution (e.g. GHG emissions);
- Land Use Change; and
- Biodiversity

## Design & manufacturing

- Lightweighting
- Materials use (primary or secondary)
- Lifespan extension (reparability design)

#### Use

- Prevent littering
- Minimise impacts of usebased pollution (e.g. microplastics)

#### End-of-life

- EoL treatment of domestic waste (incl. online sales)
- EoL treatment of waste stream occuring external to domestic market

Note: Green marks the actions traditionally covered by an EPR. Purple marks the actions that are currently explored or implemented in some EPR systems for some product categories.

## Policymakers are looking at charging producers for litter clean up; case study of tobacco product filters



Photo credit: Billy Barraclough

- Product Issues: impactful waste stream, frequently littered.
- Examples: San Francisco, EU single-use plastics directive, voluntary schemes in Canada and United States.
- Cost recovery: SF recovered USD 5 million of its 24 million in costs on litter management.
- Separate collection: argument of better provision.
- EPR challenges: how to measure, how to fairly split the bill.

San Francisco street cleanliness scores [lower is better]



# EPR looks a promising approach for additional products; early adopters are testing the boundaries of using EPR throughout lifecycle

### Successes

- EPR has demonstrated increases in collection and recovery rates and reducing the fiscal burden of the public sector.
- Application beyond vehicles, tyres, packaging, and electronics to more products generating waste or needing special treatment appears largely justified.

## **Remaining questions**

- How to create sufficient design incentives without arbitrariness?
- How to assign responsibility in the context of international value chains and transboundary movements of waste?
- Must producers have agency or just generate revenues for public ambition?
- Are the costs of EPR fully passed to households?

'Specialised expertise' remains a driver of EPR. Innovative policy design and sharing of evidence can improve policymaking.

# Thank you for your attention!

Learn more at Extended Producer Responsibility – OECD

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## **Today's discussants**







Ellen MacArthur Foundation

#### **David Allaway** Senior Policy Analyst

Oregon Department of Environmental Quality

# Thank you for your attention!

Connect with us on:

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