

**EXTENDED PRODUCER RESPONSIBILITY &
THE PACKAGING INDUSTRY
CHALLENGES & OPPORTUNITIES
21 AUGUST 2014**

**Charles Muller
Executive Director - PACSA**



WHAT IS EPR ?

***It is an environmental policy approach in which a producer's responsibility for a product is extended to the post-consumer stage of the product's life cycle.**

In other words....

It is based on the principle that “obliged companies” take responsibility for the end-of-life management of the products that they put onto the market.



**Organisation for Economic Co-operation & Development*

EPR ORGANISATIONS

Obligated companies establish EPR or Product Responsibility (PRO) organisations to.....

- **Finance**
- **Organise &**
- **Co-ordinate**

the collection of waste using, inter-alia, the services of licensed waste management companies.

The obligated companies typically receive a mandate from the Government to shift their particular responsibility away from themselves to the EPR organisation.



EPR ORGANISATIONS

To achieve optimal results – both economically & environmentally – the EPR organisation should ideally.....

- **Be controlled & managed by the obliged companies.**
- **Operate on a not-for-profit basis.**
- **Serve the public interest.**
- **Operate in a transparent & auditable manner.**
- **Involve all stakeholders including..**
 - **Central & Local Government**
 - **Manufacturers & Producers**
 - **Consumers**
 - **Material Organisations**
 - **Social Economy Actors**
 - **Recyclers etc**



EPR ORGANISATIONS

Waste management companies &/or investors should not be EPR organisations as it is.....

- **Their natural inclination to maximise profits & grow market share.**
- **In their interest to rather increase the amount of packaging entering the market which is contrary to the waste hierarchy of *reduce*.**

The primary objective of the EPR organisation should be to meet the obliged company's obligations at the lowest possible cost – this includes greatest functionality using the least resources.





EPR - CHALLENGES

Getting the legislation right.....

- **SA has unique economic & social structure.**
 - **Affordability.**
 - **Packaging affects all LSM's.**
- **Cannot just copy & paste from Europe or elsewhere.**
- **Voluntary vs legislated or perhaps a combination of both ?**
- **Needs to encompass dealing with “free-riders” & punitive compliance enforcement.**
- **Avoid unintended consequences.**



EPR - CHALLENGES

Lack of transparency and availability of reliable data.....

- **Methodology difficulties in data collection, analysis & system comparisons..**
 - **Diversion, recycling rates etc.**
 - **Employment.**
 - **Benchmarking.**
- **Confidentiality issues particularly around data on fees, costs, revenues etc.**
- **Product definitions.**
- **Scope..**
 - **Household vs industrial packaging.**



EPR - CHALLENGES

Defining the role & responsibility of the EPR organisation.....

- **Clearly identifying where the problem lies.**
- **Historically they just aggregated the producers financial contributions.**
- **Role has changed to include more operational interventions & a broader scope of action including..**
 - **Data management**
 - **Organising activities**
 - **Consulting & expertise**
 - **Communication campaigns etc**



EPR - CHALLENGES

Determining funding, financial instruments & responsibilities.....

- **Determining the various stakeholders & their financial responsibilities..**
 - **Producers & importers.**
- **Evolution over the last few years has seen EPR operational costs being increasingly covered by producers.**
- **Level of coverage – full or partial ?**
- **Want to avoid disproportionate administration burdens.**



EPR - CHALLENGES

Dealing with diverse types of packaging.....

- **Glass, paper, metal & plastics are significantly different materials.**
- **Plastics more complex due to the number of different types available.**
- **Value & supply/demand economics of each material stream varies considerably.**
- **What are acceptable, realistic & achievable targets for each ?**



EPR - CHALLENGES

Other considerations include.....

- **Population density & geography.**
- **Consumption of packaging is low resulting in investment & affordability constraints. Includes investments into..**
 - **Energy to Waste.**
 - **Pyrolysis etc.**
- **Awareness & willingness of the citizens to participate.**
- **Cautious not to detrimentally affect current successful waste management infrastructure.**



EPR

Effective Mechanisms to stimulate EPR for packaging include.....

- **Mandatory that producers of packaging belong to a recognised Material or PRO organisation.**
- **Retailers & brand-owners can assist by enforcing this.**
- **Brand-owners specify that certain % of their packaging contains recycle.**
- **Recycling incentives, tax breaks, grants, loans & other financial incentives..**
 - **Carrot rather than a stick approach.**



EPR

How best should EPR be communicated

● Communication campaigns..

- Advertising
- Press Releases
- Industry journals
- Brochures
- Radio, TV etc.



THANK YOU

Packaging Council of South Africa (PACSA)

pacsa@mweb.co.za

www.pacsa.co.za

