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Effective Packaging EPR

‘Global’ view, input for the Global Plastic Treaty

Extended Producer Responsibility (EPR) is where producers pay the end-of-life costs of managing packaging waste from products they place on the market.

The Treaty as a whole addresses provisions on production, problematic and avoidable plastic, design for recycling and reuse, etc. At this stage, we should concentrate on what we need EPR to achieve without complicating it with elements that can be addressed through other measures. We recommend focusing on the funding of effective collection and processing of plastic waste, while leaving flexibility for local decisions on how collection, sorting, etc. is done.

In this regard, the lists in this document highlight characteristics of effective and ineffective EPR schemes in terms of their impact on the collection and recycling of plastic packaging waste.

Ineffective EPR	Effective EPR
Voluntary	Mandatory, through statute or regulation.
Funding	
Unclear or fragmented funding obligations for businesses	Clear definition of unified funding responsibilities, covering all market products (typically those first placing the packed product on the market, like brands or importers)
Exemption thresholds leading to significant material exclusion	'De minimis' threshold for very small businesses; still requiring (simplified) annual reporting
Coverage limited to plastics, excluding other packaging materials	Broad coverage of packaging materials (plastic, plant-based fibre, metal glass, wood and multi-material)
Incremental cost coverage or cost not linked to responsibilities in waste management policies (e.g., plastic credits)	<p>EPR fees based on full cost net of revenues, without cross subsidy of materials and format categories, linked to responsibilities in waste management law</p> <p>EPR fee based on the relevant share of costs of efficiently operated waste management services meeting defined minimum quality standards described in waste management law or the EPR policy, the costs are fully covered by EPR fee or partly covered by the municipalities</p>

Ineffective EPR	Effective EPR
Other elements	
<p>Unclear operational responsibilities in waste management and EPR policies</p>	<p>Clear operational roles and responsibilities for all actors in waste management and EPR policies</p>
<p>Absence of, poorly specified, unambitious, or unrealistic performance targets, or unclear measurement methodologies</p>	<p>Well-defined performance targets driving ambitious outcomes (including collection and recycling) with clear measurement methodologies</p>
<p>Weak enforcement, e.g. absent incentives/sanctions for those operationally responsible for fulfilling the obligations (businesses or local government)</p>	<p>Suitably incentives/sanctions for those operationally responsible for meeting targets (businesses or local government). Thoroughly followed up government oversight.</p>
<p>Start off with multiple PROs competing for the same function within the same material/application/waste stream</p> <p>Individual Producer Responsibility (IPR) allows businesses to fulfil obligations independently, without a collective EPR system. While appealing in theory, it requires strong government oversight to prevent free-riding and ensure compliance. In practice, with thousands of producers, such oversight is unrealistic, undermining the programme’s effectiveness</p> <p>Excessive compliance options for obligated businesses</p> <p>Not recognising DRS as dedicated EPR system for beverage packaging</p>	<p>Start off with single, non-profit*, producer-led entity (Producer Responsibility Organisation, PRO) established to facilitate for meeting business obligations, audited by the government *Service providers to the PRO can be for-profit</p> <p>Deposit Return Systems (DRS) for beverage packaging implemented before or at the same time as general packaging EPR, with a dedicated PRO</p>
<p>Lack of transparency in design and operation of the EPR system</p>	<p>Inclusion of obligated businesses in system design and full transparency in fee setting and demonstration of productive usage</p>

EPR vs tax/levy:

Well-designed EPR is generally the preferred alternative for businesses, and it serves to engage obligated business in establishing, operating and optimising the system performance (including upstream measures) and cost efficiency. In some cases, like for small remote states, where business engagement is not realistic on a broad scale, policies that utilise levies might be the better alternative.

Fee modulation:

Not included to reduce complexity. It would be better to include it in the guidelines on optional elements as it does not need to be part of EPR policy. It has been implemented on PROs initiative according to the polluter pays principle, and it might also be effectively addressed through taxes or bands/restrictions.

Link to municipal waste management:

This link is essential for plastic packaging EPR covering products consumed at home as municipalities are generally responsible for household waste. For certain applications, like beverage containers, EPR can be implemented in the form of a deposit return system that provides a dedicated collection and processing value chain independent of the municipal waste management system. Deposit return systems can be fully established, operated and financed by the obligated businesses. Hence, a link to municipal waste management is not needed. The same may apply to production waste, industrial and commercial waste when the waste management is not part of the municipalities' responsibility.