



Extended producer responsibility: challenges and opportunities

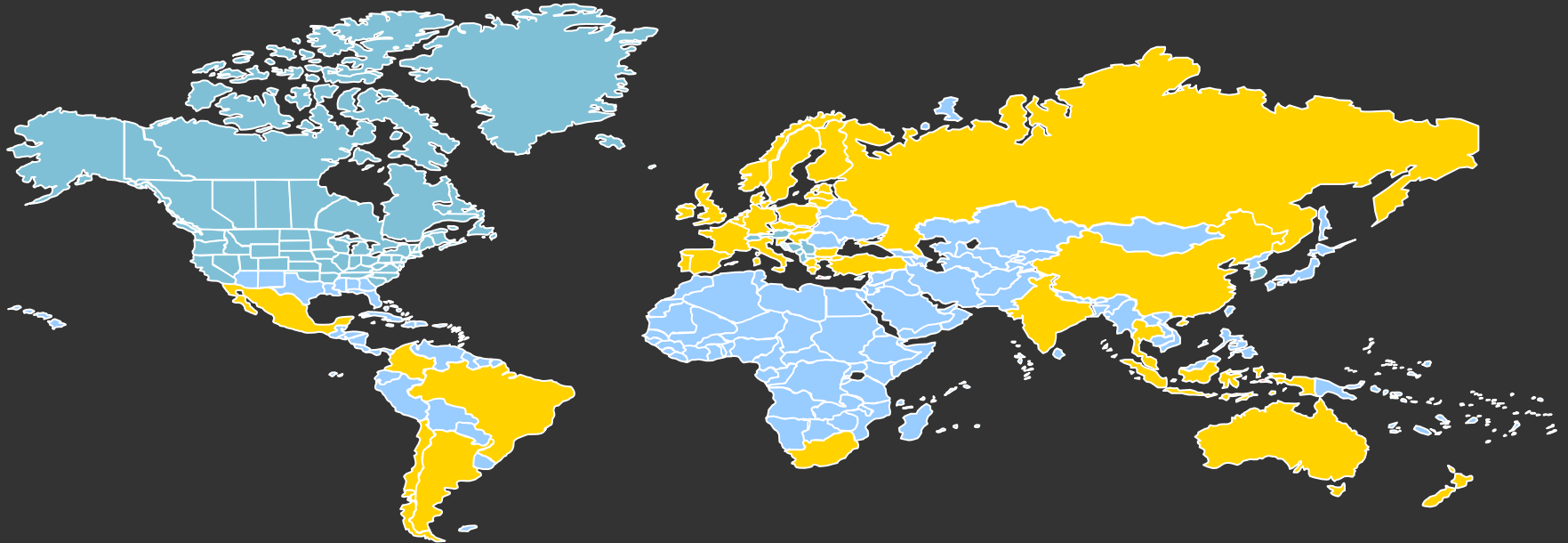
EIMA SANTIAGO 2013

Seminario Iberoamericano sobre Ecoinnovación

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Introduction: our experience



Experience in more than 40 countries in the design, development, implementation and optimisation of EPR and other solid waste management **regulations and sustainable solutions** for as well the public as private sector in a vast waiver of product categories: household and industrial packaging; batteries; WEEE; tyres; non-woven cotton; etc.

(See countries in yellow for geographical experience)

Introduction: setting the scene

- ▶ Sustainable resource management is a key theme in the world of today and tomorrow in all countries across the world.
- ▶ It is a key theme for industries and the public sector alike.
- ▶ There are several key economic (regulatory) instruments which are broadly used / in development in OECD (also in increasing number of non OECD countries)
 - ▶ ADF
 - ▶ Landfill / incineration taxes
 - ▶ Tradeable (landfill) permits
 - ▶ Recycling credits
 - ▶ Virgin material and ecotaxes
 - ▶ **Extended producer responsibility (EPR)**
- ▶ EPR is the instrument which comes closest to implementing the whole life cycle approach



Introduction: setting the scene

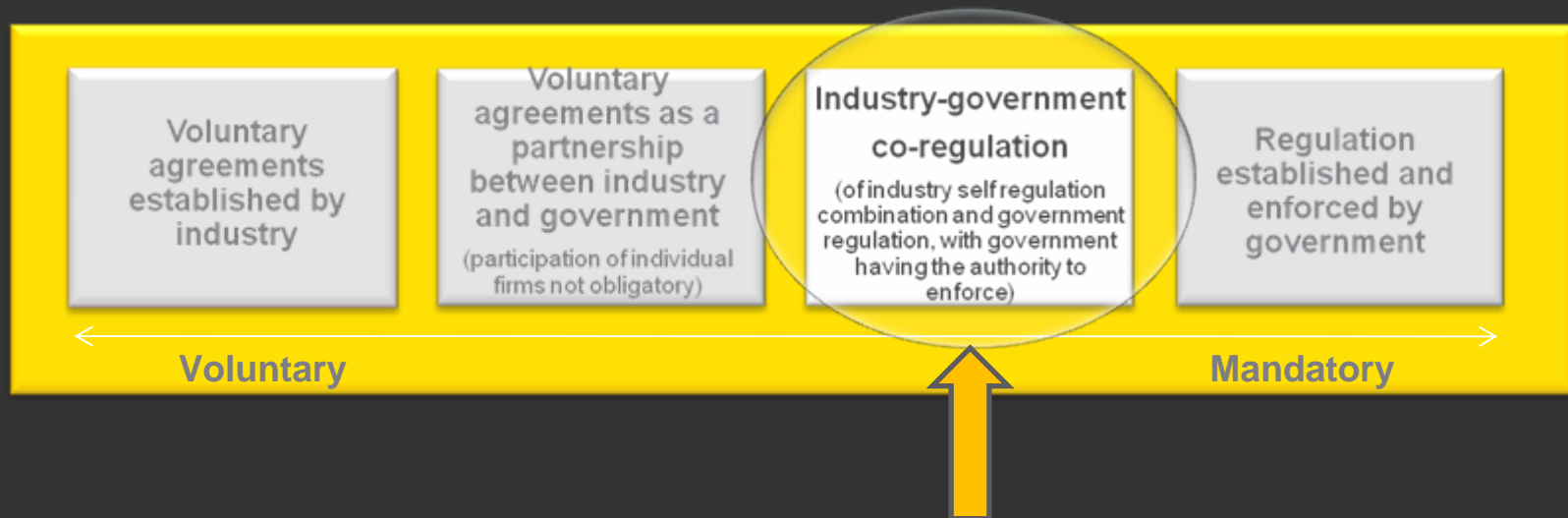
What is the impact of EPR in a country?

- ▶ EPR regulations in many cases **create a new market** in the country, **stipulating the roles and responsibilities** of the various interested stakeholders **for the first time**.
- ▶ EPR regulations **create incentives** in the market place
- ▶ EPR regulations generate **change through the whole supply chain**.
- ▶ It creates, **if not properly balanced**, clearly defined, structured and controlled: **uncertainty, nuisance and free riders** which puts the producer's **business at risk**.
- ▶ A **transparent, effective regulatory framework** is the **absolute basis** to enable the proper organisation of our obligations.
- ▶ **Strong enforcement** of the law is **necessary to ensure compliance** in the market place by all producers and to avoid an unlevel playing field.
- ▶ **Transparent reporting** between the producers / producer organisations and government **is key in effective management and control** of the implications of the law
- ▶ The **DEVIL is in the detail!!**

Governance model for EPR development and implementation / operations

The **cooperation between the private and public sector is key** to design and implement a sustainable EPR regulation.

There are different partnership models for public-private cooperation:



Experience shows that in most case close cooperation between government and private sector is necessary to realise the objectives and avoid dramatic risks in the market.

Key issues when implementing an EPR regulation

- ▶ A **transparent, effective regulatory framework** is the **absolute basis** to enable the proper organisation of our obligations.
- ▶ EPR regulations in many cases **create a new market** in the country, **stipulating the roles and responsibilities** of the various interested stakeholders for the first time.
- ▶ EPR regulations **create incentives** in the market place
- ▶ EPR regulations generate **change through the whole supply chain.**
- ▶ It creates, **if not properly balanced**, clearly defined, structured and controlled: uncertainty, nuisance and free riders which put **a compliant business at risk and make regulations fail.**
- ▶ **Strong enforcement** of the law is **necessary to ensure compliance** in the market place by all producers.

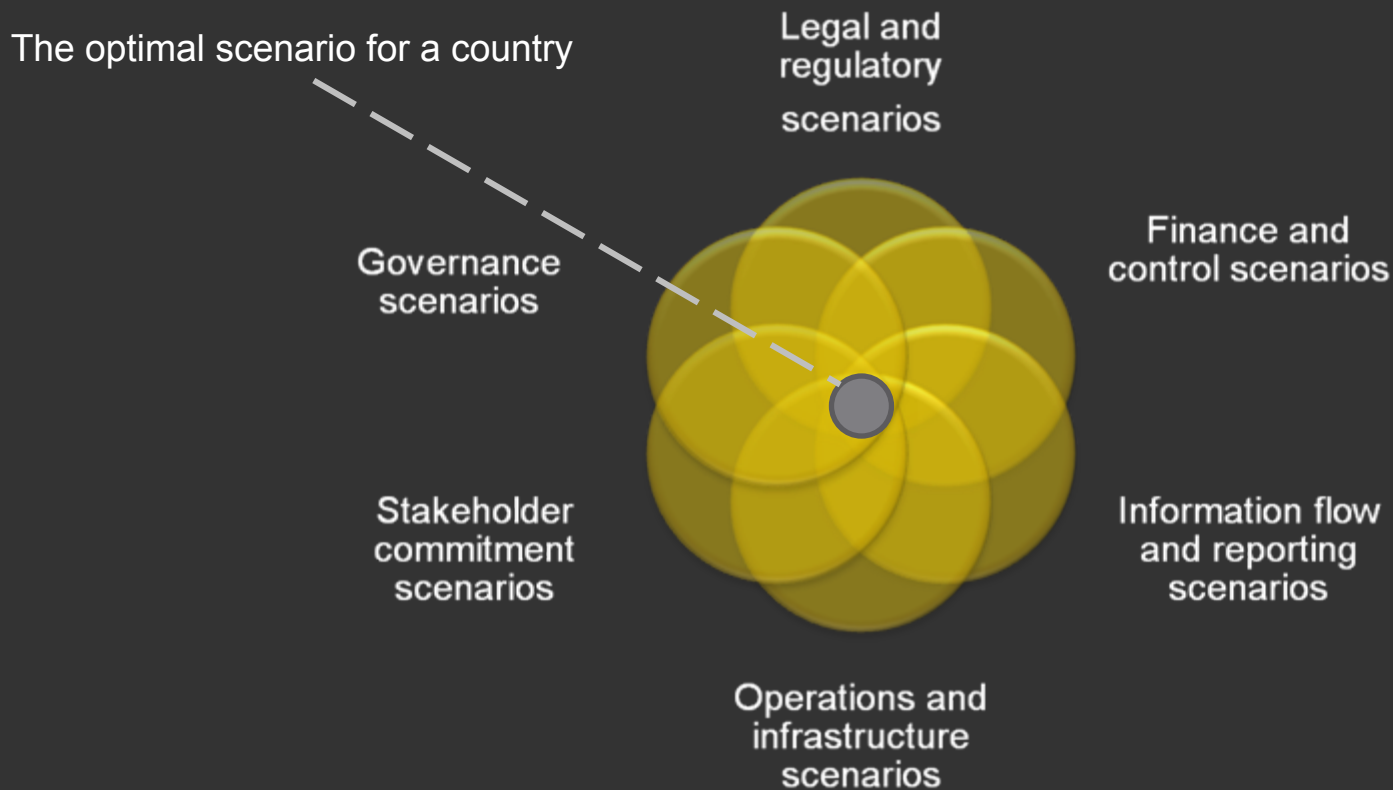
EPR: key concern for "producers" is Finance & Control

- ▶ Depending on the legal, political, social, economic, demographic and geographic situation in a country, several models are conceivable to fulfil the financial side of the EPR obligation in that country.
- ▶ Three generic models:
 - ▶ public financing instruments (tax or similar contribution)
 - ▶ market driven schemes.
 - ▶ combination of taxation instruments and market tools.

Neither model is optimal in se.

The optimal basis will entirely depend on the nature of the other EPR obligations and the model(s) opted for; the impact on the market; the enforcement of the law; etc.

The waiver of key issues for producers when implementing an EPR solution. Content issues



Key issues for producers when implementing an EPR solution.

Content issues

"Producer" issues:

- ▶ Who is producer?
- ▶ What is to be paid by the producer?
- ▶ What is the share of a specific producer?
- ▶ When is payment by a specific producer required?
- ▶ Guarantees and provisions at the level of the producers
- ▶ The responsibilities of the different involved parties
- ▶ Level playing field
- ▶ Collective or individual obligation
- ▶ Collective or individual execution of the obligation
- ▶ Reporting of put on the market data (weight v. units)
- ▶ Transparency or internalisation of the EPR costs through the supply chain

Key issues for producers when implementing an EPR solution.

Content issues

Producer Scheme issues:

- ▶ Different schemes v. one national scheme (per product group) (level playing field)
- ▶ Level playing field in the market
- ▶ Control over the calculation of the "contribution"
- ▶ Control over the enforcement of the payment of the "contribution"
- ▶ The responsibilities of the different involved parties
- ▶ Control over the contracting of collection and recycling services
- ▶ Enforcement of the law



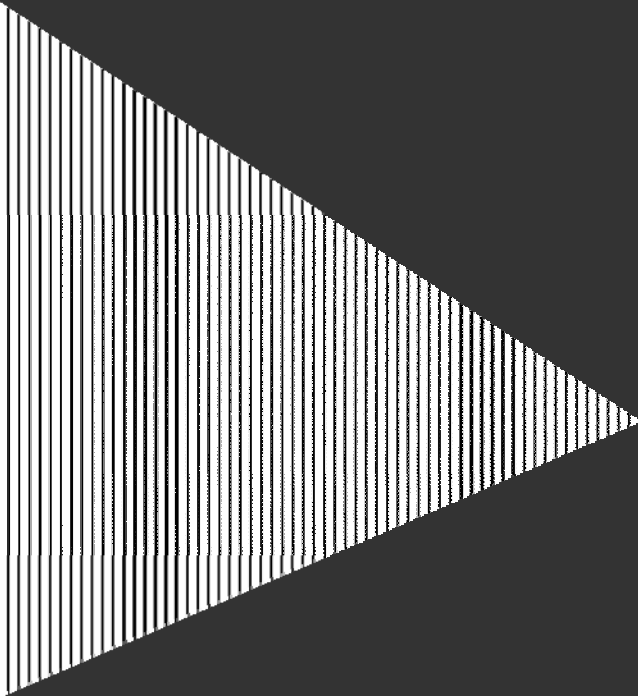
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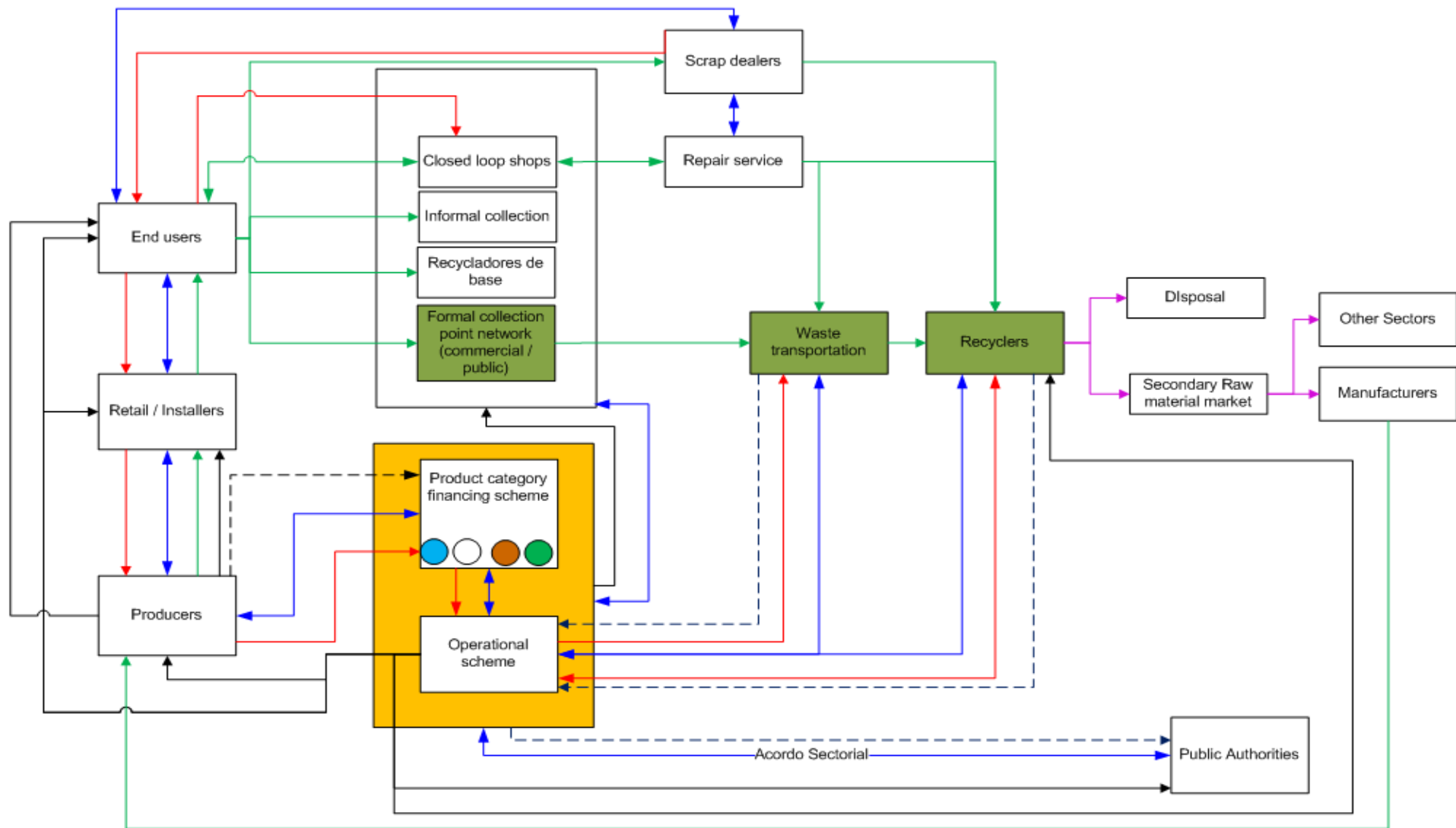
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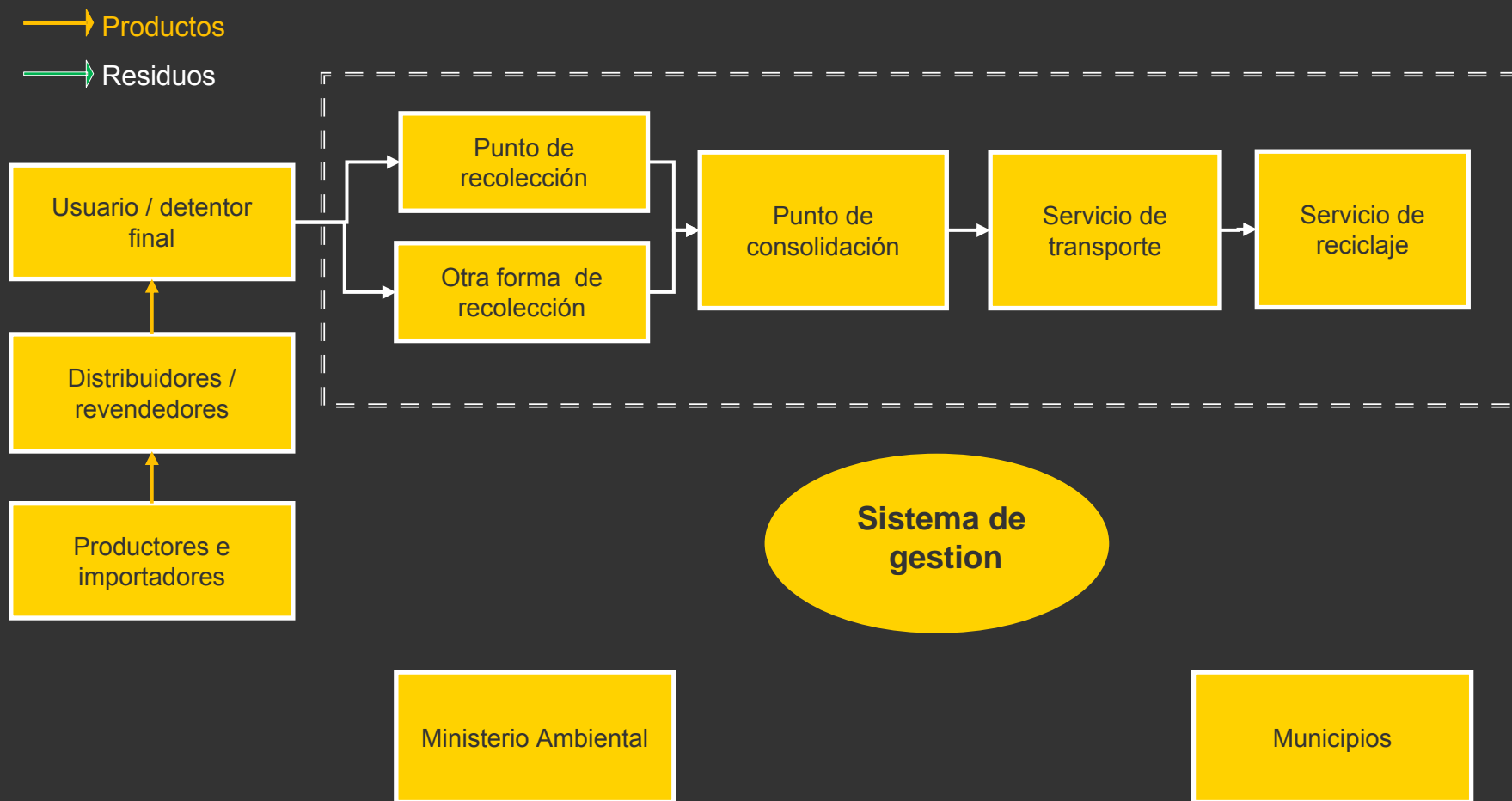
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6. Operational flows for the organisation of EPR



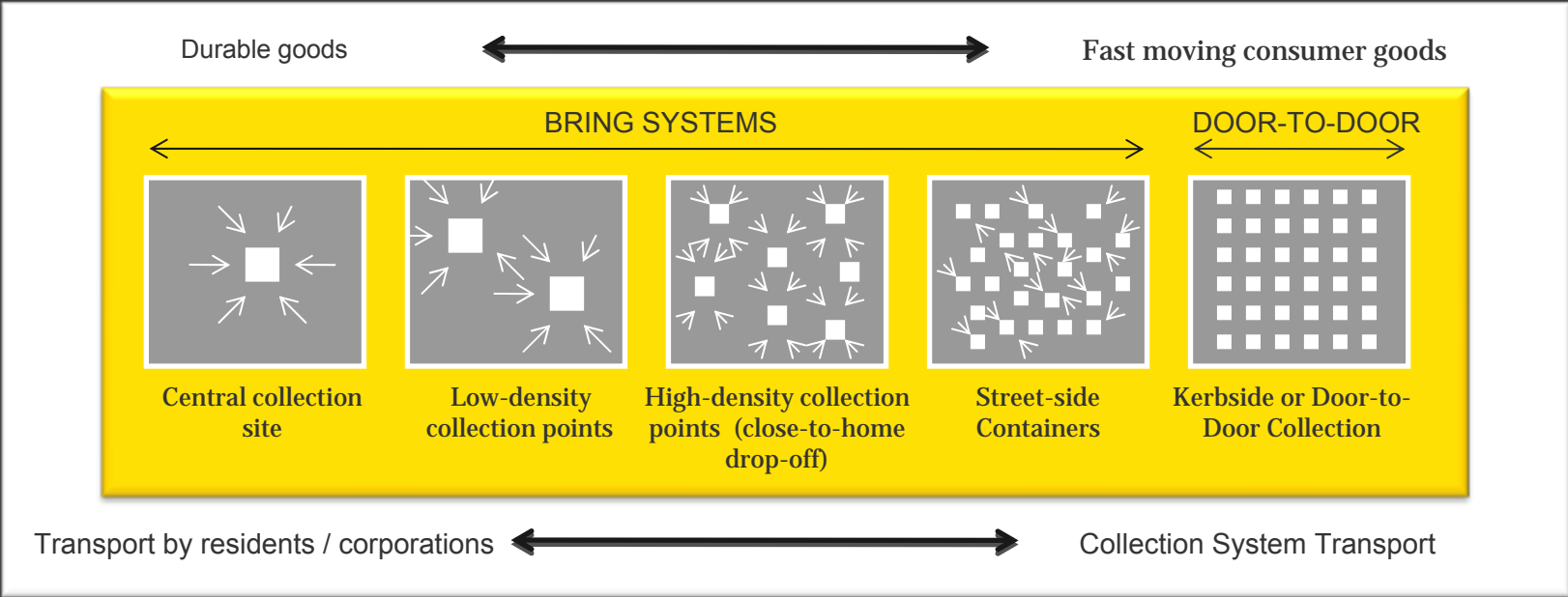
6. Operational flows for the organisation of EPR

Product flows



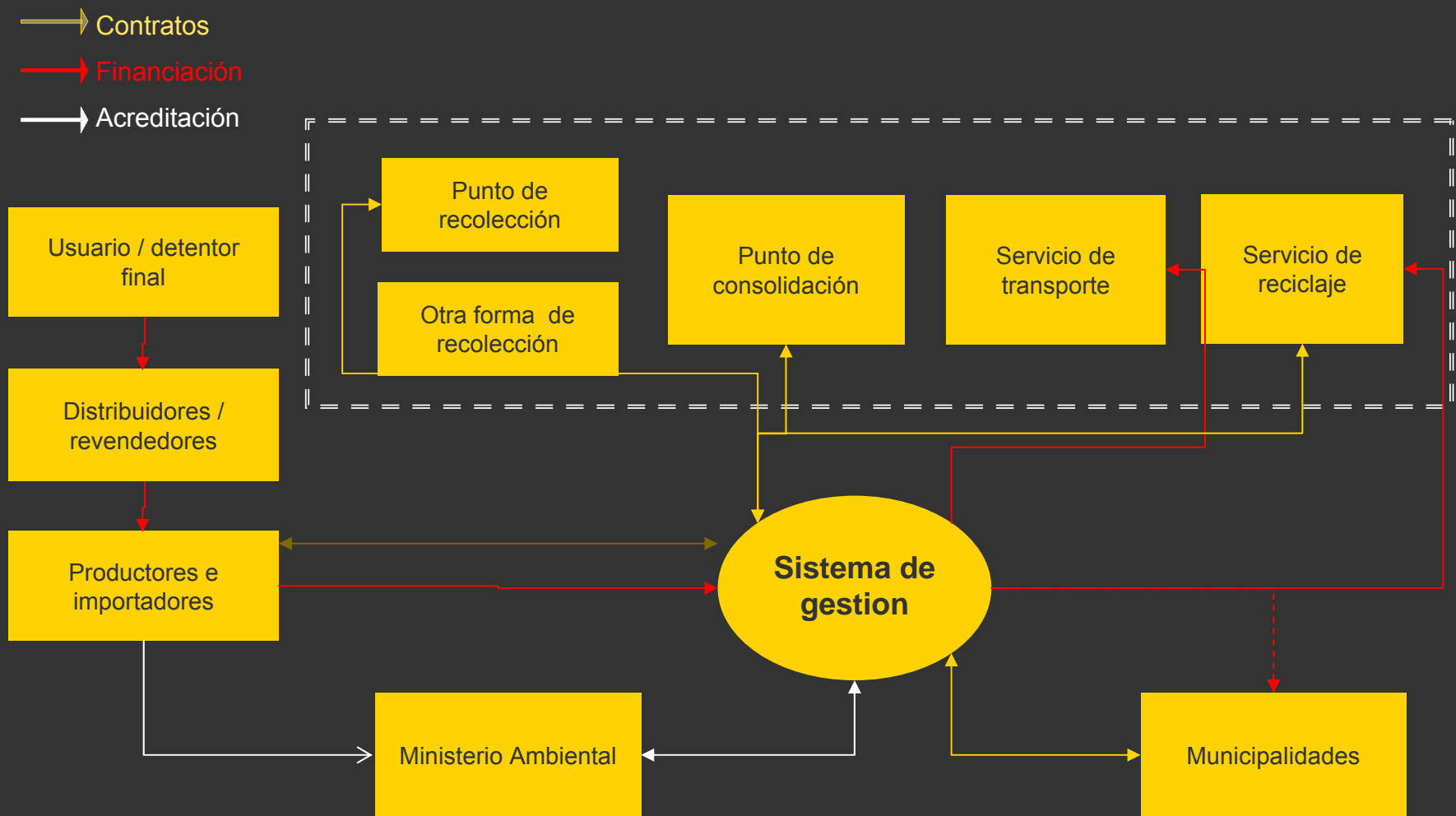
6. Operational flows for the organisation of EPR

Product flows: collection strategy



6. Operational flows for the organisation of EPR

Contract and financial flows



6. Operational flows for the organisation of EPR Information, marketing and reporting flows

→ Información y Marketing

→ Reporting

