

Approaches to EPR and implications for waste picker integration

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DEA / Wits University Panel on EPR and IWMPs

21 November 2016

OUTLINE OF PRESENTATION

- What is Extended Producer Responsibility (EPR)?
- Context for EPR in South Africa
- Big questions that need to be addressed
- Approaches to integration of informal waste pickers

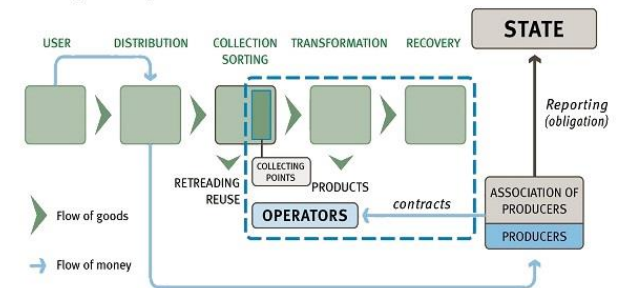
EXTENDED PRODUCER RESPONSIBILITY

- EPR is an **advanced** “*policy approach in which a producer’s responsibility for a product is extended to the post-consumer stage of a product’s life cycle*” (OECD, 2001)
 - It sets out obligations for producers to **take back** their products at the end of the products’ useful life
 - **Shifts the responsibility** (financial and/or operational) for the treatment or disposal of a product at end-of-life away from government to the producer
 - **Relieves municipalities** of some of the financial burden of waste management
 - Provides **incentives** to producers to incorporate environmental considerations in the design of their products

EXTENDED PRODUCER RESPONSIBILITY

- There is **no single, internationally accepted** “correct” model in terms of EPR scheme design and operation
 - Although the European Union is calling for the harmonisation of EPR schemes
- There are **various models** of EPR design –
 - e.g. by country, by waste type, different roles and responsibilities

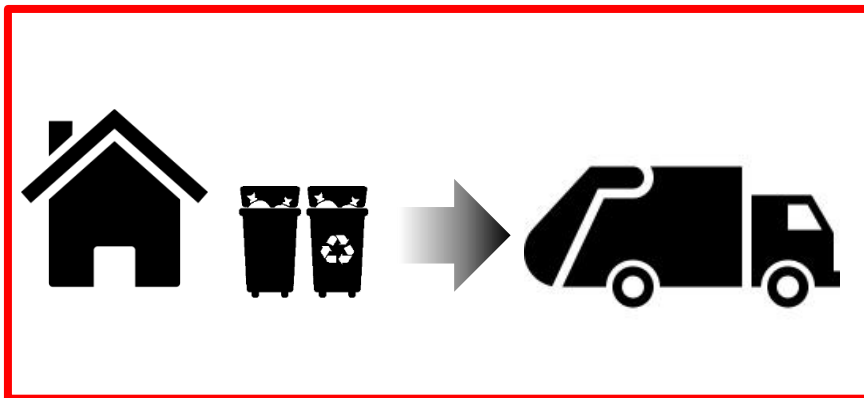
Producer responsibility scheme



EXTENDED PRODUCER RESPONSIBILITY

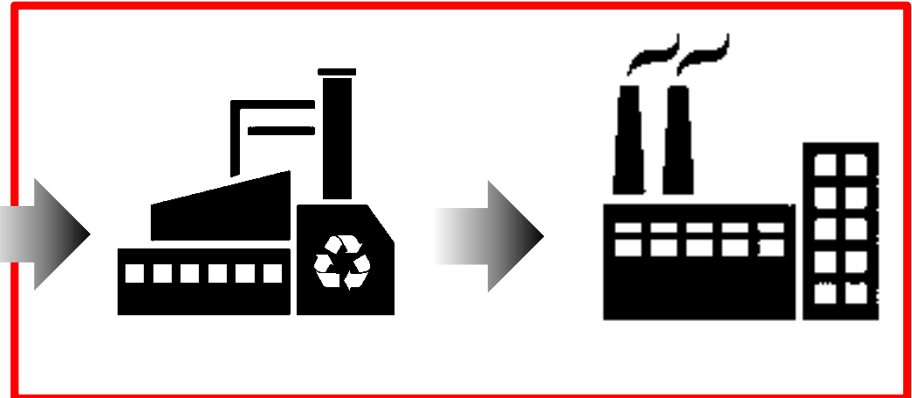
Driving the supply side

e.g. subsidizing separation at source programmes, collection infrastructure



Driving the demand side

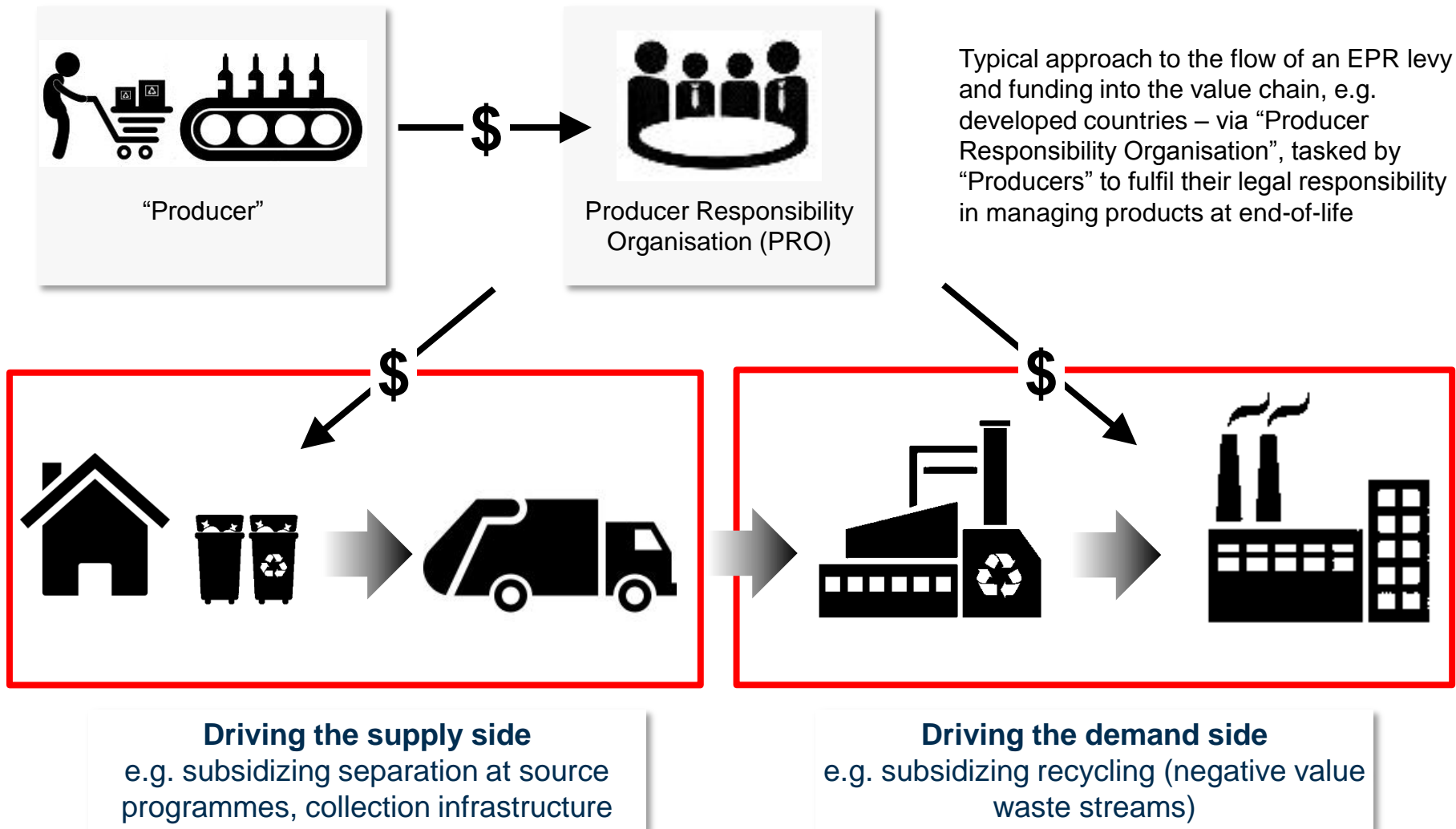
e.g. subsidizing recycling (negative value waste streams)



Typical EPR models e.g. within developed countries –

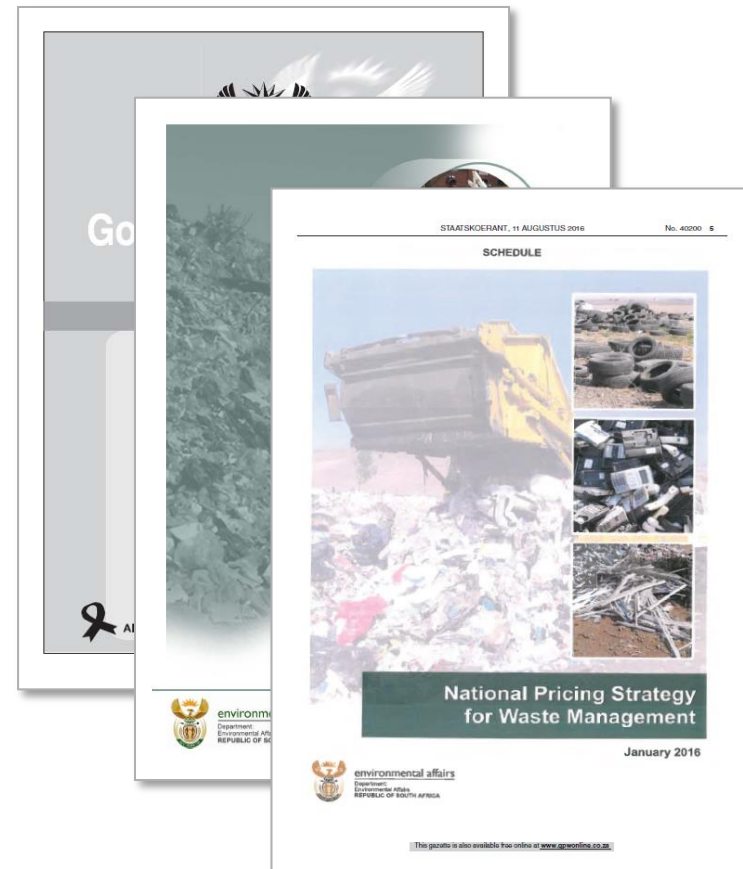
- Implement measures to ensure that end-of-life products (waste) are responsibly managed, by **“subsidizing” areas of the value chain** that are **not economically viable**
- Take financial or operational responsibility along the waste value chain to final recycling
- We already see aspects of this in the South Africa recycling economy (voluntary “EPR”)

EXTENDED PRODUCER RESPONSIBILITY

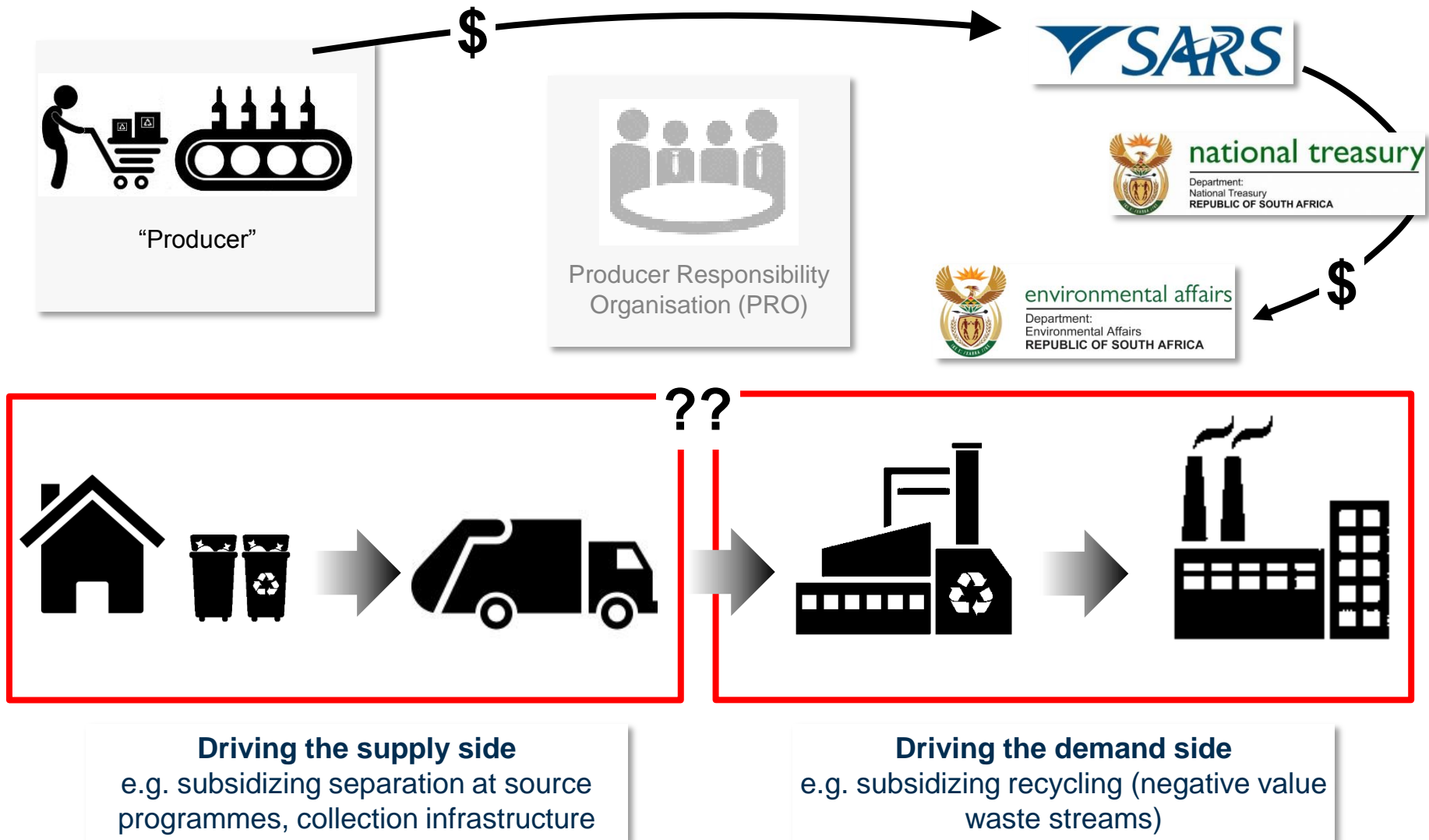


GOVERNMENT RESPONSE

- Extended Producer Responsibility is **provided for** in South African policy –
 - National Environmental Management: Waste Act (2008)
 - National Waste Management Strategy (2011)
 - National Pricing Strategy (2016)
- DEA gazetted their **intent** to call for Industry Waste Management Plans (IndWMP) (EPR) in Sep 2016
 - The aim is that the Paper & Packaging sector **prepare and submit an IndWMP** that outlines how products will be managed at end of life



EXTENDED PRODUCER RESPONSIBILITY



KEY QUESTIONS THAT GUIDE EPR

- What should SA's Paper & Packaging EPR look like?
 - **Question 1:** Single or multiple EPR schemes?
 - **Question 2:** Commercial or industry 'owned'?
 - **Question 3:** Relationship with municipalities?
 - **Question 4:** What will industry pay for?
 - **Question 5:** What will it cost?
 - **Question 6:** What model is appropriate for SA?
 - **Question 7:** Who should pay?
 - **Question 8:** Relationship with other parties?

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Q3: RELATIONSHIP WITH MUNICIPALITIES

- Level of “**involvement**” of the municipality in the EPR scheme
- EPR schemes may take full or partial **financial** and **operational** (physical) responsibility for implementation

1. “**Dual model**” (e.g. Austria, Germany, Sweden)

- Full operational and financial responsibility **taken by industry** for collection, sorting and recycling
- Separate collection system besides collection of local authorities
- Very small influence and involvement from municipalities

2. “**Shared model**” (e.g. France, Spain, Italy, Belgium, Netherlands, Czech Republic, Norway, etc.)

- Shared responsibility between industry and municipalities
- Municipality has “right of first refusal”
- Municipalities co-responsible for collection and often for sorting
- Financial responsibility of industry varies from country to country

Q8: RELATIONSHIP WITH OTHERS

- EPR and the **informal sector** –
 - Developing countries typically have large numbers of informal waste pickers
 - Who derive their income from the collection and sale of recyclables
 - This is typically the result of **high unemployment rates** (a need) and the high tonnages of recyclables being **disposed of to landfill** (an opportunity)
 - Many developing countries considering implementation of EPR are currently considering **how to integrate** informal waste pickers – “*Do we, and if yes, how do we integrate informal collectors?*”

Q8: RELATIONSHIP WITH OTHERS

Simplified paper and packaging waste value chain in South Africa



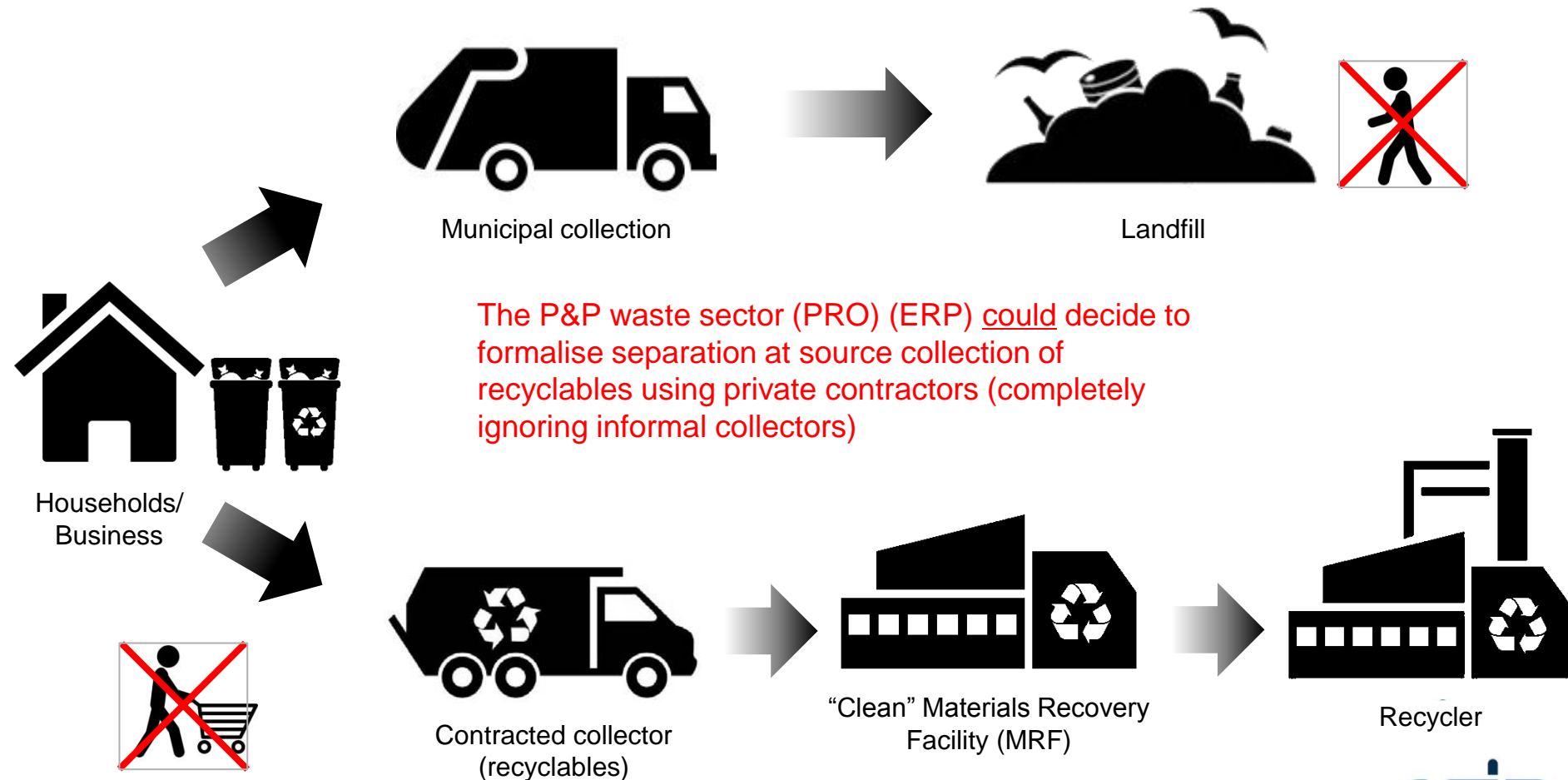
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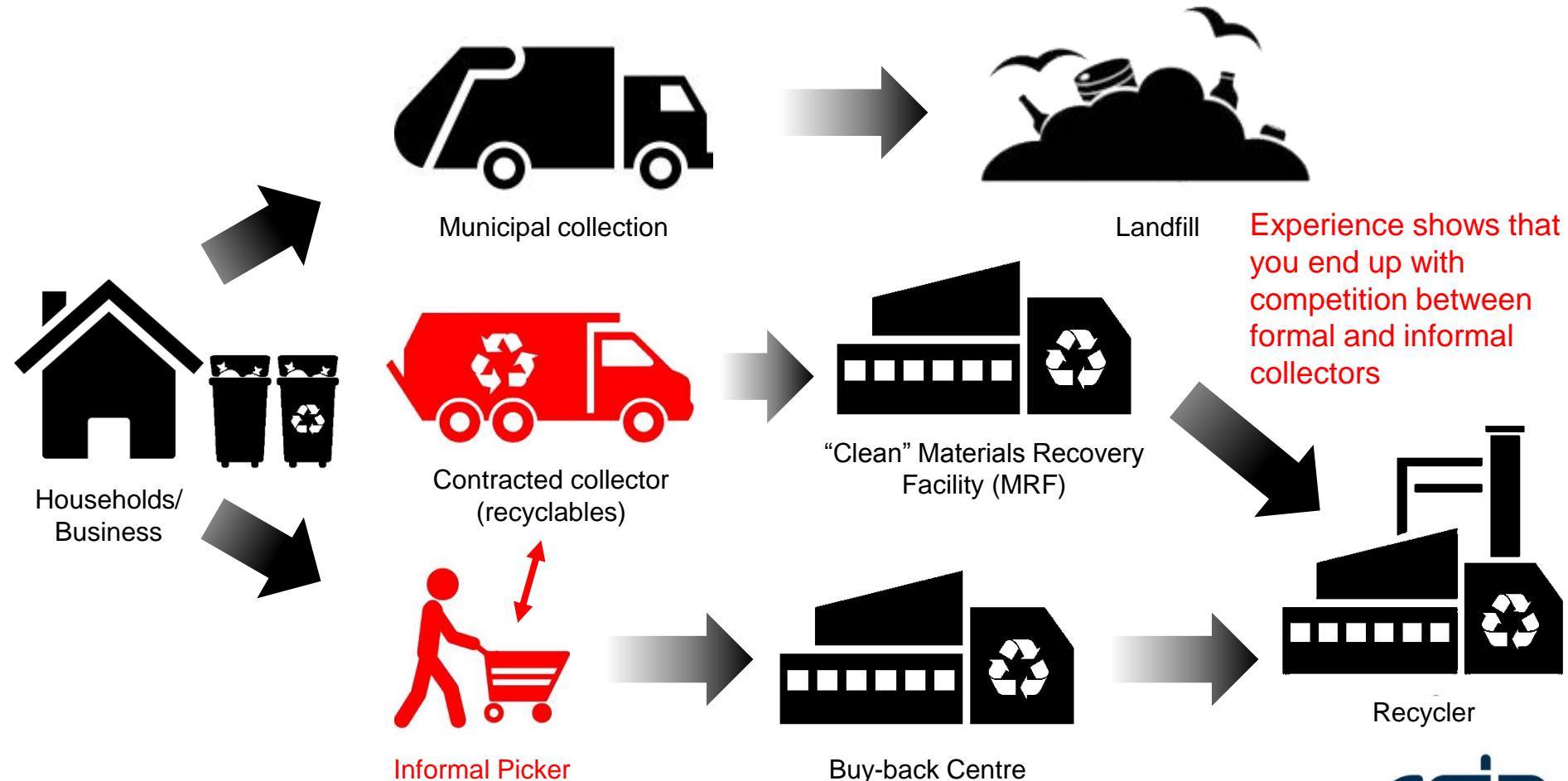
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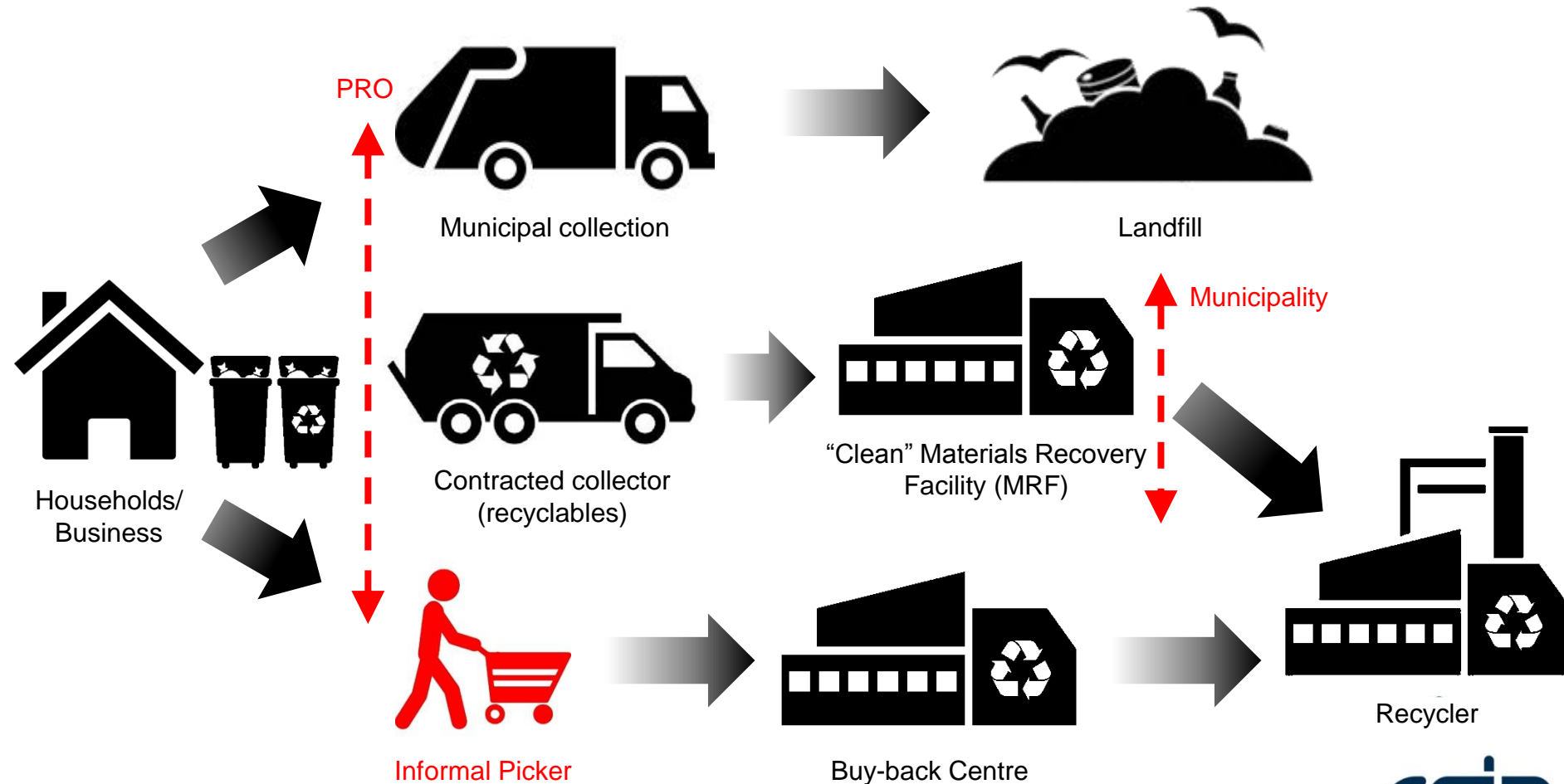
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Q8: RELATIONSHIP WITH OTHERS

The **point of intervention** of the Industry Waste Management Plan (EPR) (PRO) will determine **who will be responsible for integration of the informal sector** – Post-MRF (Municipal integration); Pre-MRF (PRO)



INTEGRATION OF INFORMAL PICKERS

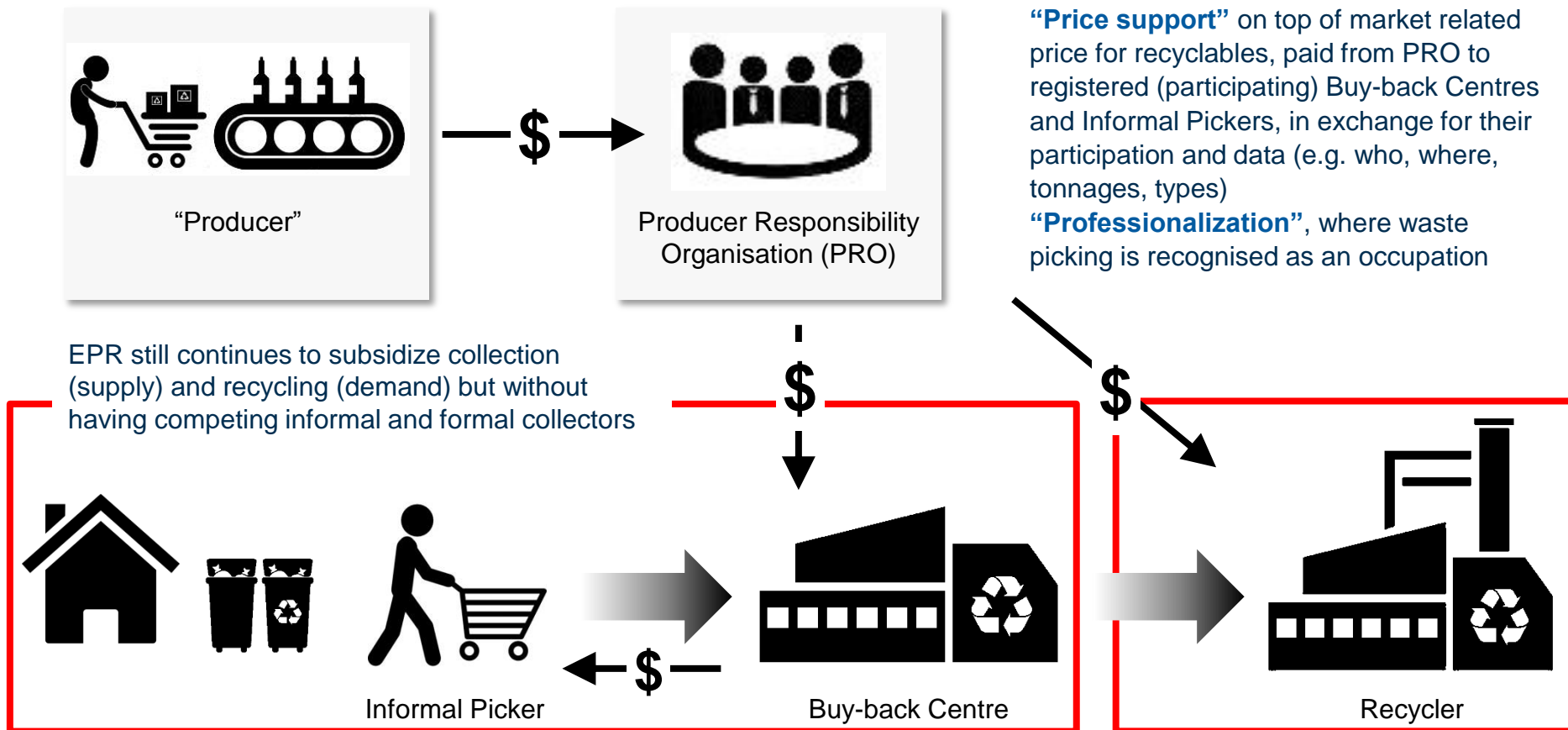


- So **how should we integrate** the informal waste pickers?
- Some of the models that are emerging from countries around the world –
 - **Integration** – “organised tolerance” – continue to operate as informal, independent recyclers but with some support/benefits
 - **Formalisation**, e.g. support informal collectors to become co-operatives or SMEs
 - **Employment** in waste and recycling companies

INTEGRATION OF INFORMAL PICKERS

- Information emerging from Brazil, Eastern Europe (e.g. Turkey, Serbia, Macedonia, Kosovo) and South Africa
 - Tried to **ban** informal collectors ✗
 - Tried to **employ** informal collectors in recycling companies ✗
 - Tried to get collectors to **work together** (co-operatives) ✗
 - Tried to **assign** informal collectors to specific regions ✗
- Struggle to sustain (and scale-up) beyond pilot projects
- It's important to know what informal collectors want
 - Do they want “jobs”, or do they want increased “income” (money) with access to benefits?
 - As this will help to shape the strategy for integration

INTEGRATION OF INFORMAL PICKERS



A model emerging in e.g. Eastern Europe wrt integration of the informal sector, is **“Price Support”**, where informal collectors continue to operate as individuals, but get access to increased income (money) by “belonging” to the EPR scheme (registration)

INTEGRATION OF INFORMAL PICKERS



- However, **risks** that exist with respect to implementing “Price support” in South Africa, include –
 - Buy-back centres may reduce their “market price” knowing pickers will still get the price support (**middle-man retains “value”**)
 - Informal pickers **not wanting to register** with EPR scheme
 - Increased income for recyclables encourages **more people to enter** the informal waste sector
 - If money does not flow back from Government to the recycling sector, **money will not be available** for informal collectors

CONCLUSIONS



- There is **no single approach** to EPR
- I haven't provided you with answers, but hopefully issues to consider when considering integration
- But, it's important to stay true to the intent of an EPR scheme, to design a system that –
 - Fulfills producer's **legal** responsibilities by recovering end-of-life products, that
 - Provides **maximum recovery** of paper and packaging (diversion from landfill),
 - Maximum **economic benefit** (for all) and maximum sustainable, decent jobs
 - At the **least cost** to business and society

Thank you

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