



EPR – UPDATED OECD GUIDANCE

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Outline

- OECD EPR project
- Definition, trends and achievements
- Guidance
 - Governance
 - Competition
 - Design for Environment (DfE)
 - Informal sector





OECD EPR Project





OECD project on EPR

Objectives:

- Assist governments that are considering introducing new or revisiting existing EPRs
- Update 2001 OECD guidance Manual on EPR
- Build on parallel EU Commission work on EPRs





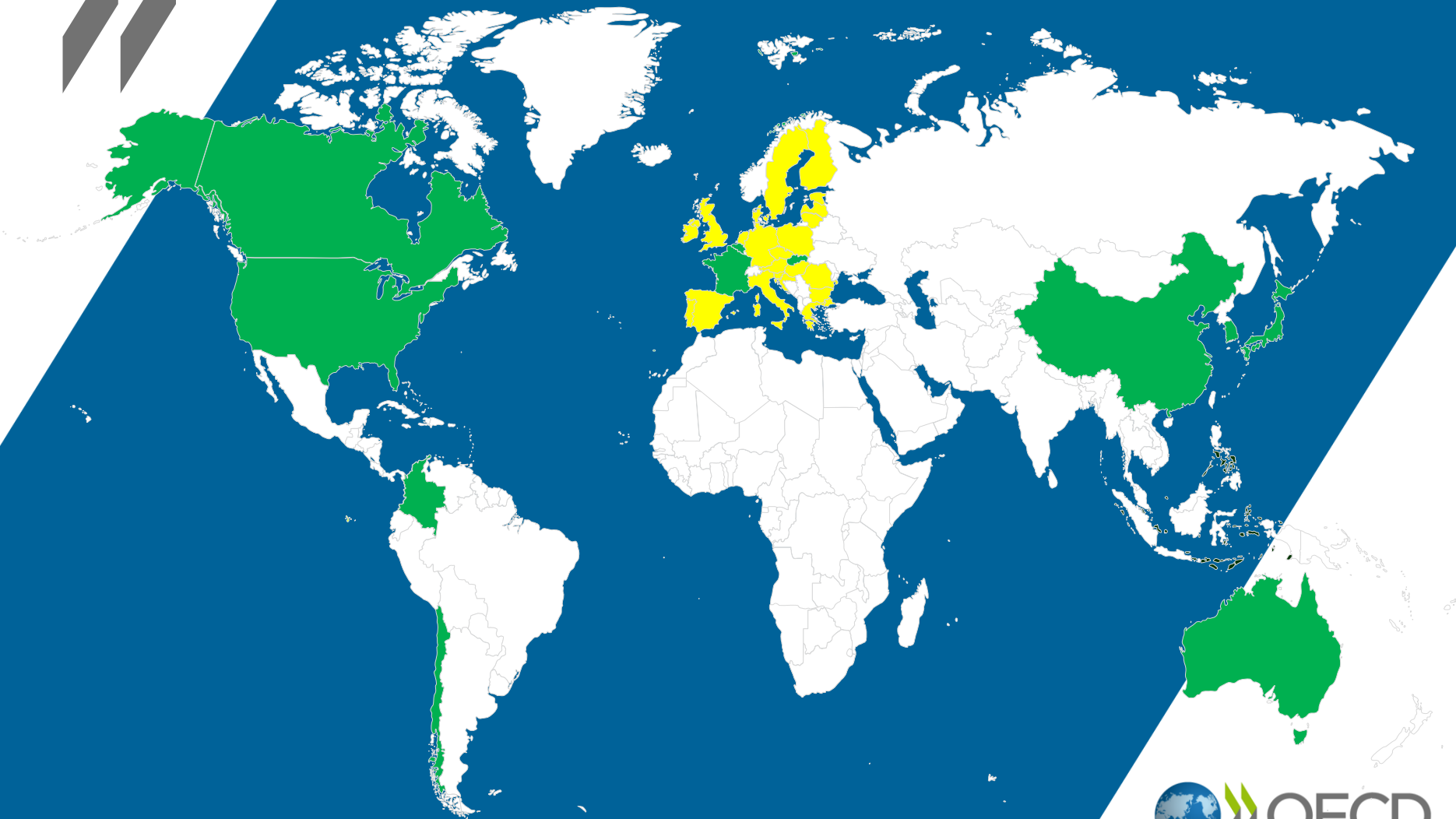
Description of work

- Review of economic literature on EPRs
- In-depth case studies of around 40 EPR schemes covering 5 product groups
- Policy guidance with a focus on:
 - Governance
 - Competition
 - Design for Environment
 - The informal sector
- Policy dialogues in emerging market economies

The work benefits from financial support from the EU and a number of other OECD member countries



14 country case studies completed





Definition and trends





EPR systems

OECD definition:

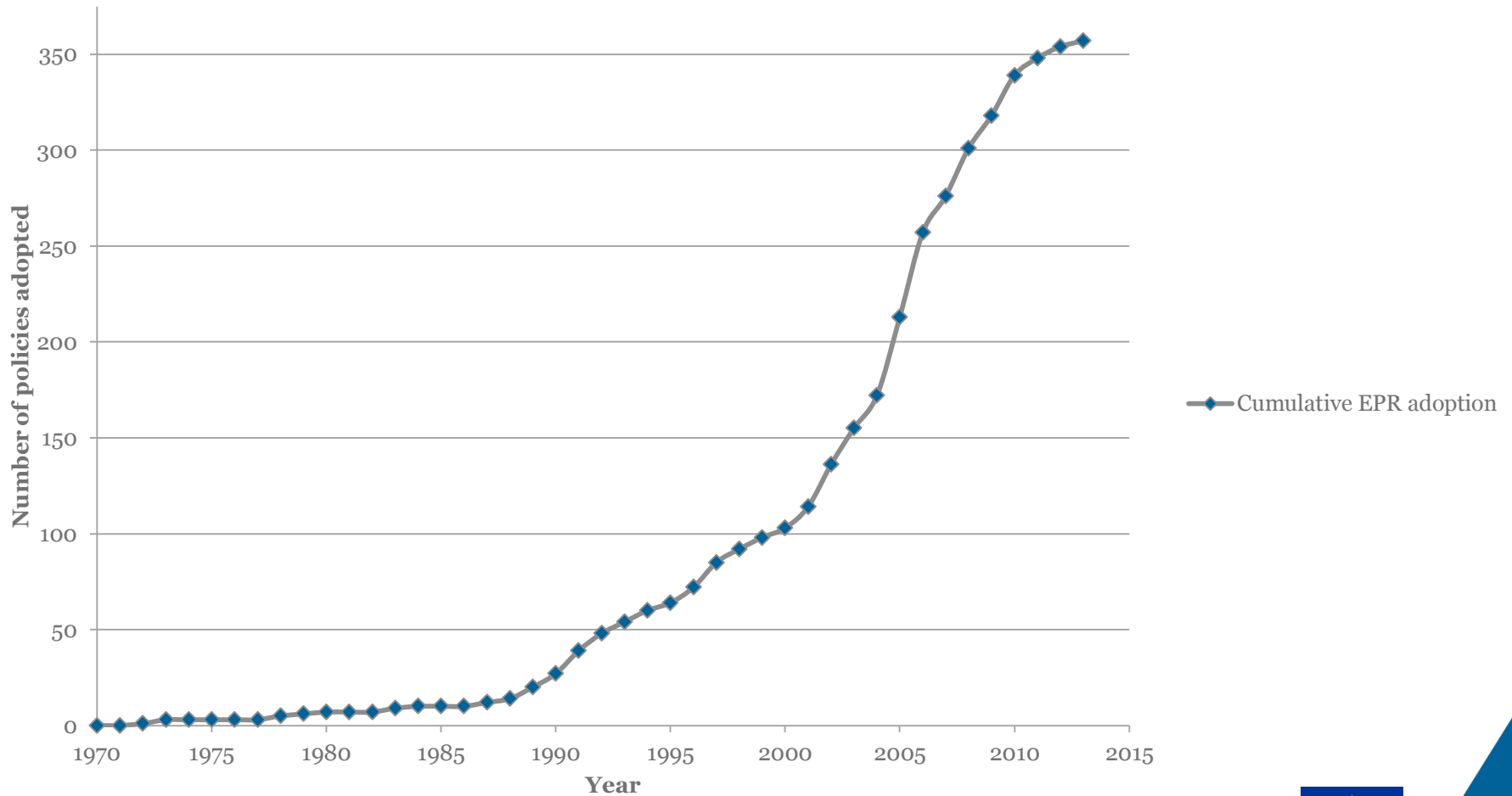
EPR is an environmental policy approach in which producer's responsibility... is extended to the post-consumer stage of a product's life cycle





Extended Producer Responsibility is Expanding

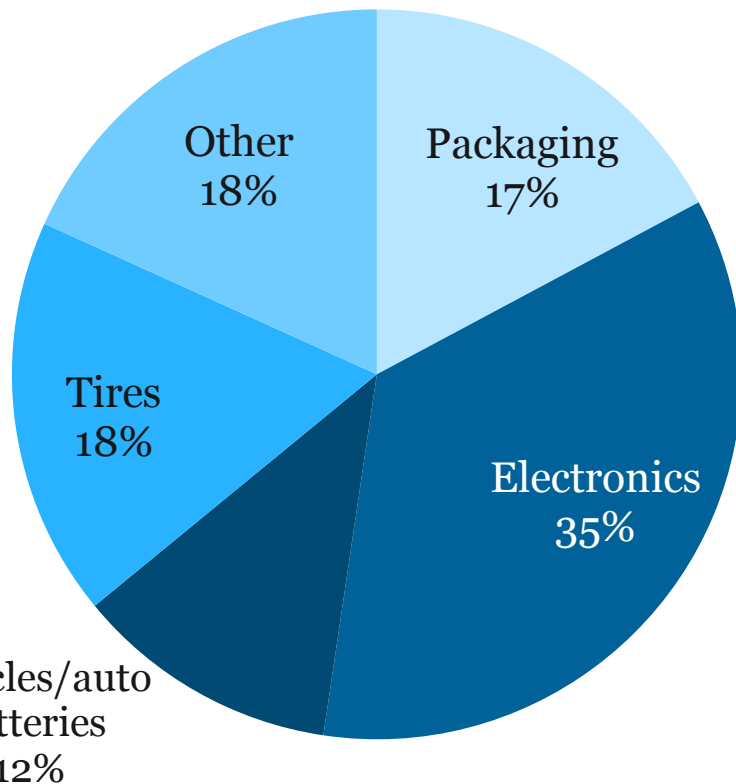
Cumulative EPR adoption



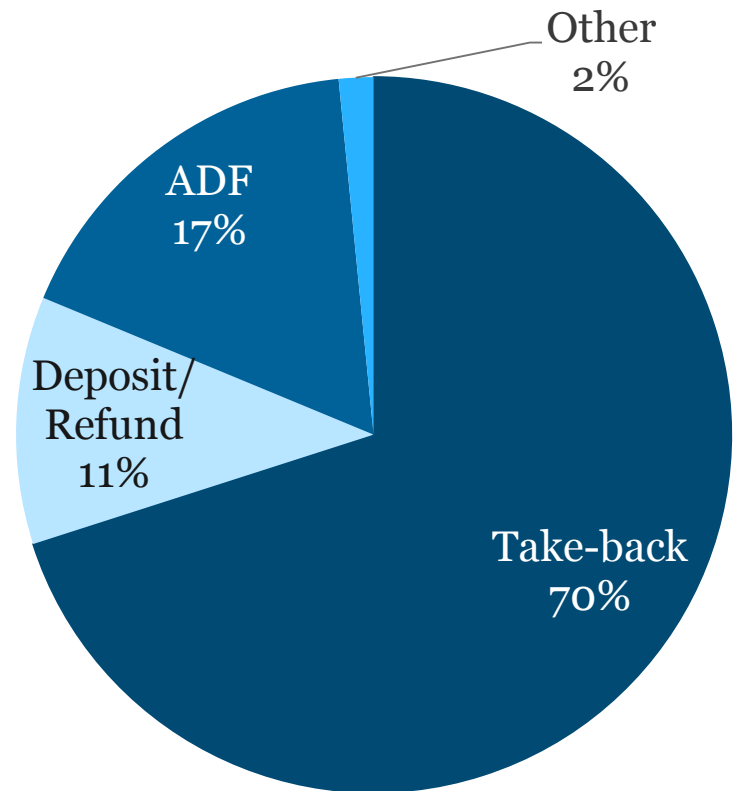


Extended Producer Responsibility by product type and instrument

EPR by product type



EPR by policy





Achievements





Key messages on achievements of EPRs

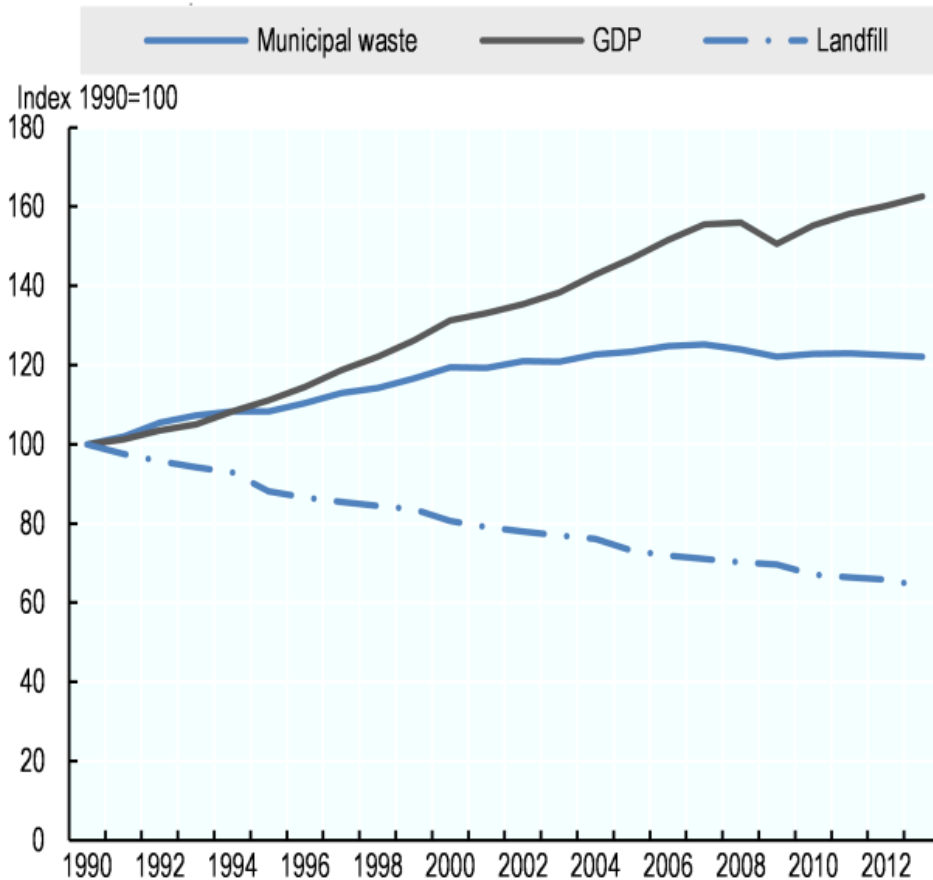
- Reduced disposal and increased recycling
- Reduced burden on public budgets
- Economic opportunities
- Limited impact on DfE



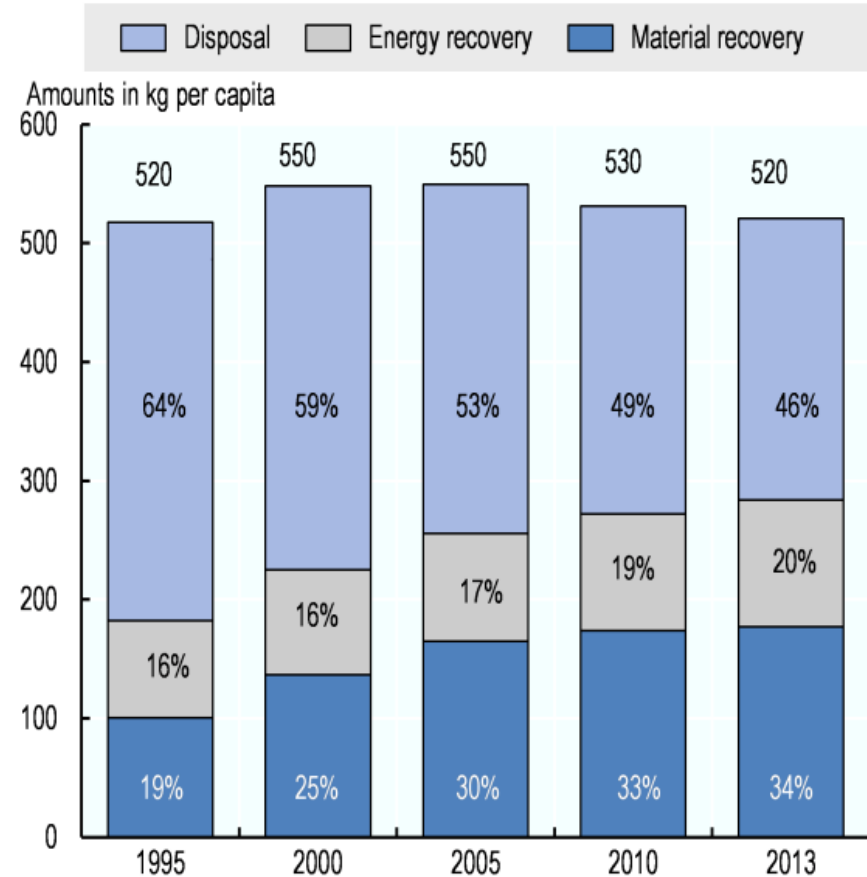


Trends in MSW management

Decoupling trends, municipal waste generation versus GDP, 1990-2013

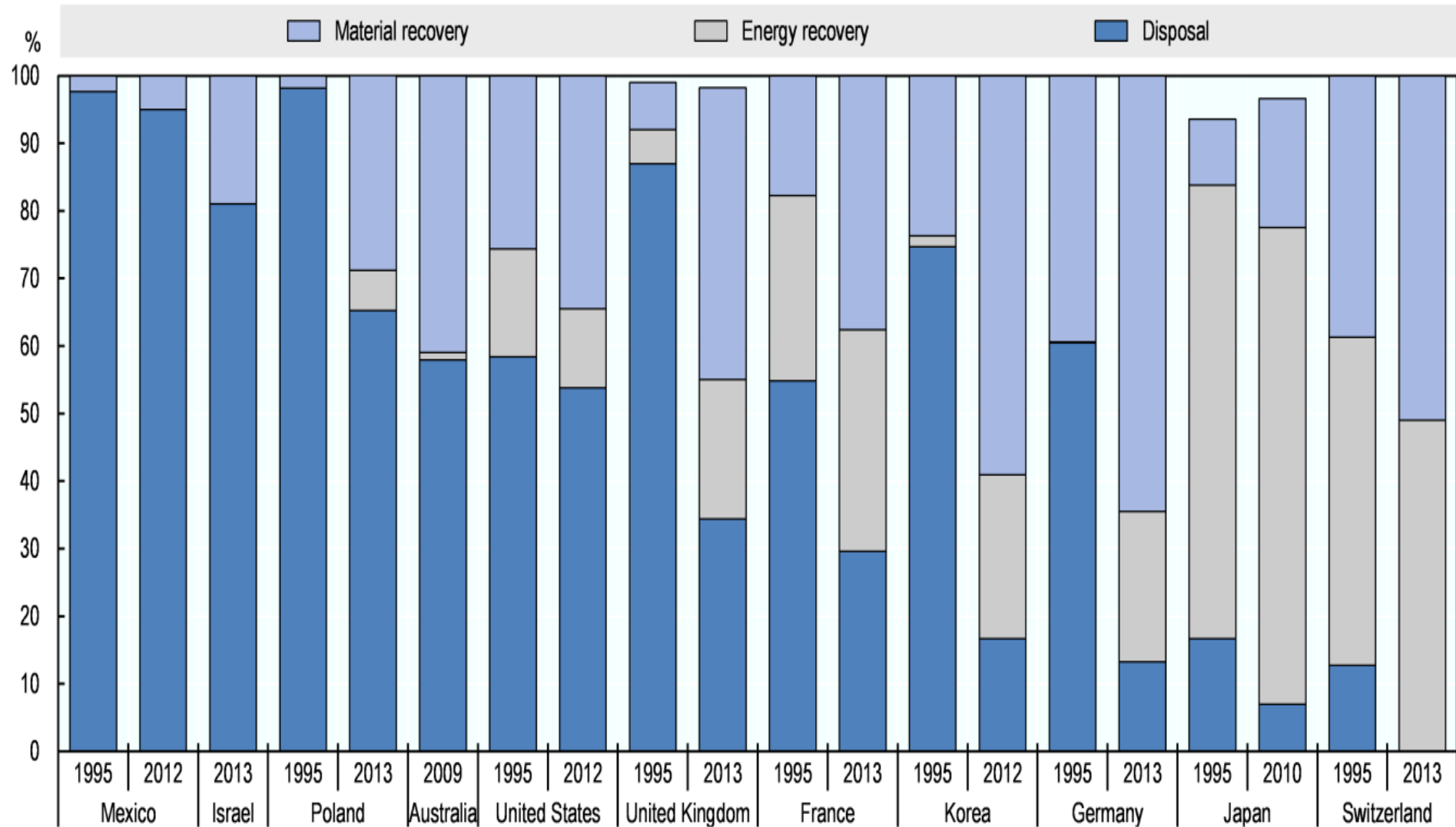


Municipal waste management, recovery and disposal rates, OECD 1995-2013





But significant differences in performance





Performance of EPRs in the EU

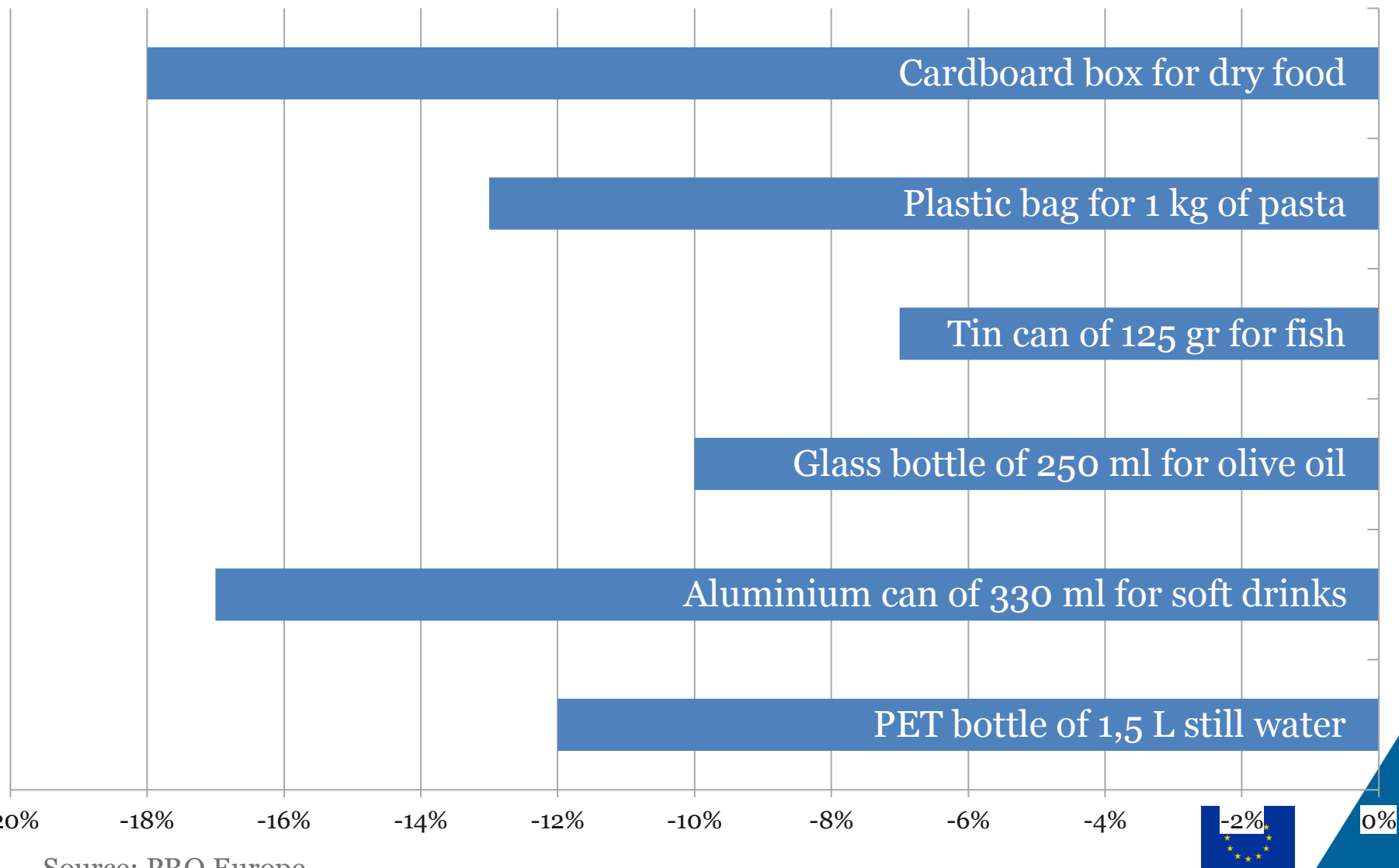
	Collection (C) or recycling and recovery rates (R)	Average producer fees
Batteries	5-72% (C)	240-5400 EUR/t
ELV	64-96% (R)	0-66 EUR/Vehicle
Oil	3-61% (C)	42-231 EUR/t
Packaging	29-84% (R)	20-200 EUR/t (average 92)
WEEE	1.2-17.2 kg/cap (C) (average 6.6)	68-132 EUR/t





Reduction in food packaging in the EU (2000-2010)

% change



Source: PRO Europe



0%



Guidance





EPR governance

- 3 models with advantages and disadvantages





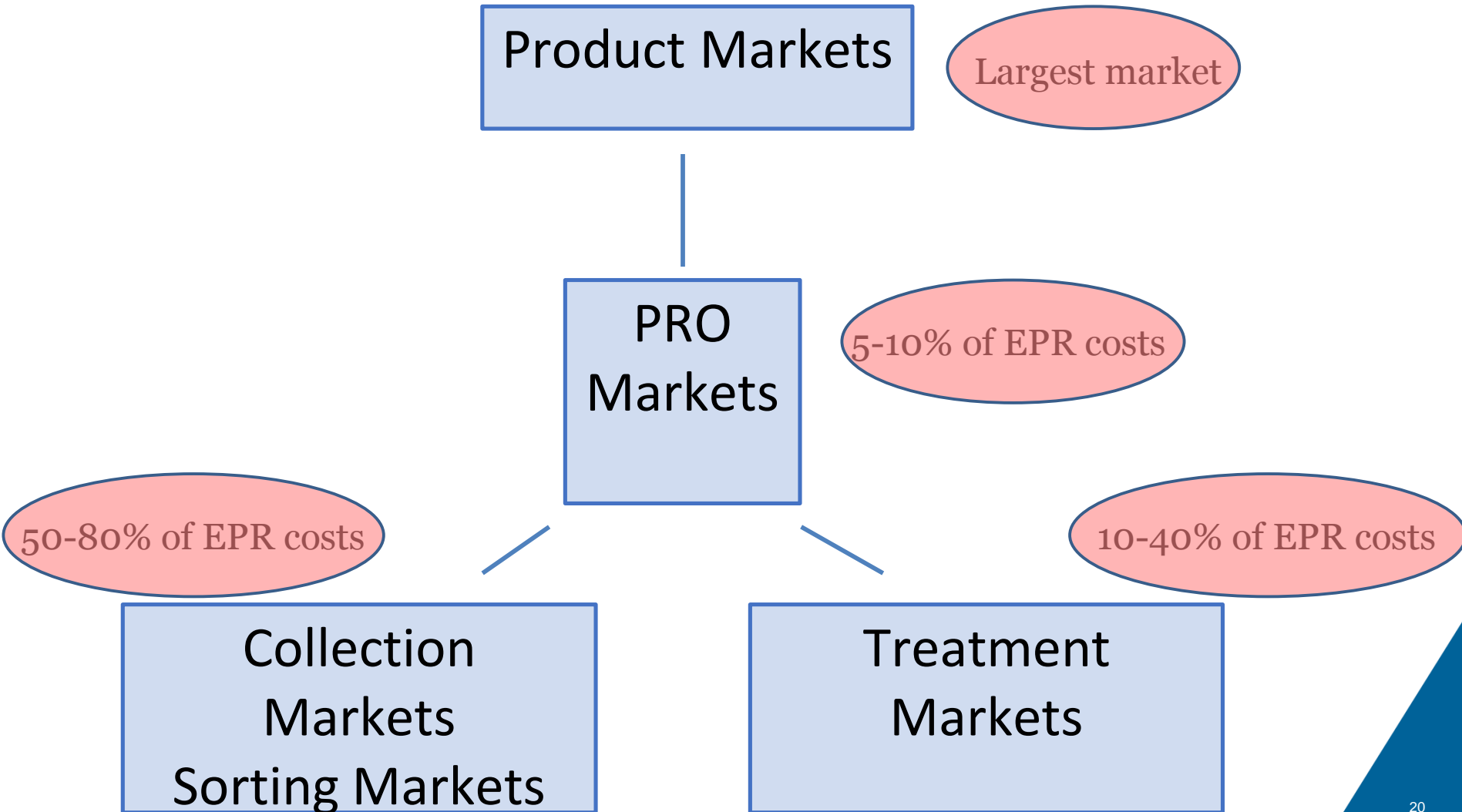
EPR Governance

- All models require strong government involvement:
 - To enforce a level playing field
 - To enforce environmental standards and targets
- EPR can not be run by the private sector on its own
- Transparency is paramount for effective government oversight





Key markets with competition concerns





EPR and competition

- Competition impact assessments should be integrated into design of EPR
- PRO established as single operator only if net benefits can be demonstrated
- Services that PROs procure should be procured by transparent, non-discriminatory and competitive tenders
 - Relevant factors include contract duration, recovery of sunk costs, and principle of non-exclusivity





EPR and DfE

- So far little impact on DfE due to use of CPR rather than IPR
- Variable fee CPRs preferable to fixed-fee CPRs
- Modulation of fees according to design is an option, but administrative costs need to be assessed
- Full cost recovery important to maximise incentive effect





EPRs and the informal sector

- Emerging economies have a large informal sector that has a potentially important role in EPRs.
- Need to distinguish between types and impacts of informal sector:

Positive impacts	Negative impacts
In collection and sorting, the informal sector can provide positive economic and environmental impacts	Unsound practices need to be eliminated (e.g. informal processing)
Some evidence that informal systems collect more material than formal	

- Failure to include the informal sector into EPR can undermine them
- Need to register waste pickers and work towards formalisation and professionalisation
- Informal sector should be actively engaged in discussion for establishment of EPRs





THANK YOU!
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