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USEPA Webinar

Dialogue on sustainable financing of municipal recycling of packaging

21.01.2011

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Managing Director Fost Plus

Together > Good sorting > Better recycling

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Presentation Fost Plus + context

- Created in 1994
- Private
- Not for profit
- Pro-active initiative of industry and trade (fillers)
- Started on a voluntary basis
- 4th European scheme
- 1st Belgian scheme
- Packaging Law: 1997
- 5 years accreditation
- 1 accredited body for packaging

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Presentation Fost Plus + context

- Close cooperation with all partners: municipalities, waste sector, consumers, authorities, industry,...
- 11 Mio inhabitants
- 350 inh/km²
- 6,000 members
- 92% market penetration
- Household packaging: 750 kT
- Recycling rate > 90%
- 600 municipalities
- 40 intermunicipal associations

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Were there alternatives for Fost Plus

- Yes
- (Eco) Taxes
  - Is only financial responsibility
  - Has pejorative connotation
  - Negative focus on packaging
  - No grip for industry and trade on strategic and operational choices
  - No influence on future height of the tax
- Belgium had/has already experience with (eco)tax on beverage packaging since 1992
- Extension was no option, not in 1994, not in 2006, not today.

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RÉACTION À L'ANNONCE DU GOUVERNEMENT
SUR LES TAXES D'EMBALLAGE

Bientôt votre ménage paiera 150 € par an pour une taxe environnementale qui n'en est pas une !!!

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… Alternatives…

- Deposit schemes

  à In reality :

  – 5 to 15 times more expensive

  – Creates more fragmented logistics

  – Less convenient

  – Limited in scope (beverage packaging)

  – What about other packaging ? Selective collection still necessary !

  – Financially successful when it fails

  – Sensitive for fraud.

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Choice of Belgian Industry and Trade

- TRY TO AVOID MORE (ECO)TAXES
- No deposit Scheme

HOW : become a pro-active player in waste management

- Took the lead, and acted with solidarity and commitment
- Invested in up-front studies
- Made a plan and sticked to it
- KEY : Partnership
- KEY : Legislation (it all starts with it).

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The Plan of Industry

- Keep things in hands
- Should be managed by the legal responsible (filler)
- Optimized unique collection scheme
- Full cost
- Progressive coverage of the population
- Smooth functioning of the waste market : e.g. tender procedures
  à transparency and competition
- Communication à active participation of citizens
- Political level : support by appropriate instrumental mix, e.g. high cost for residual waste.

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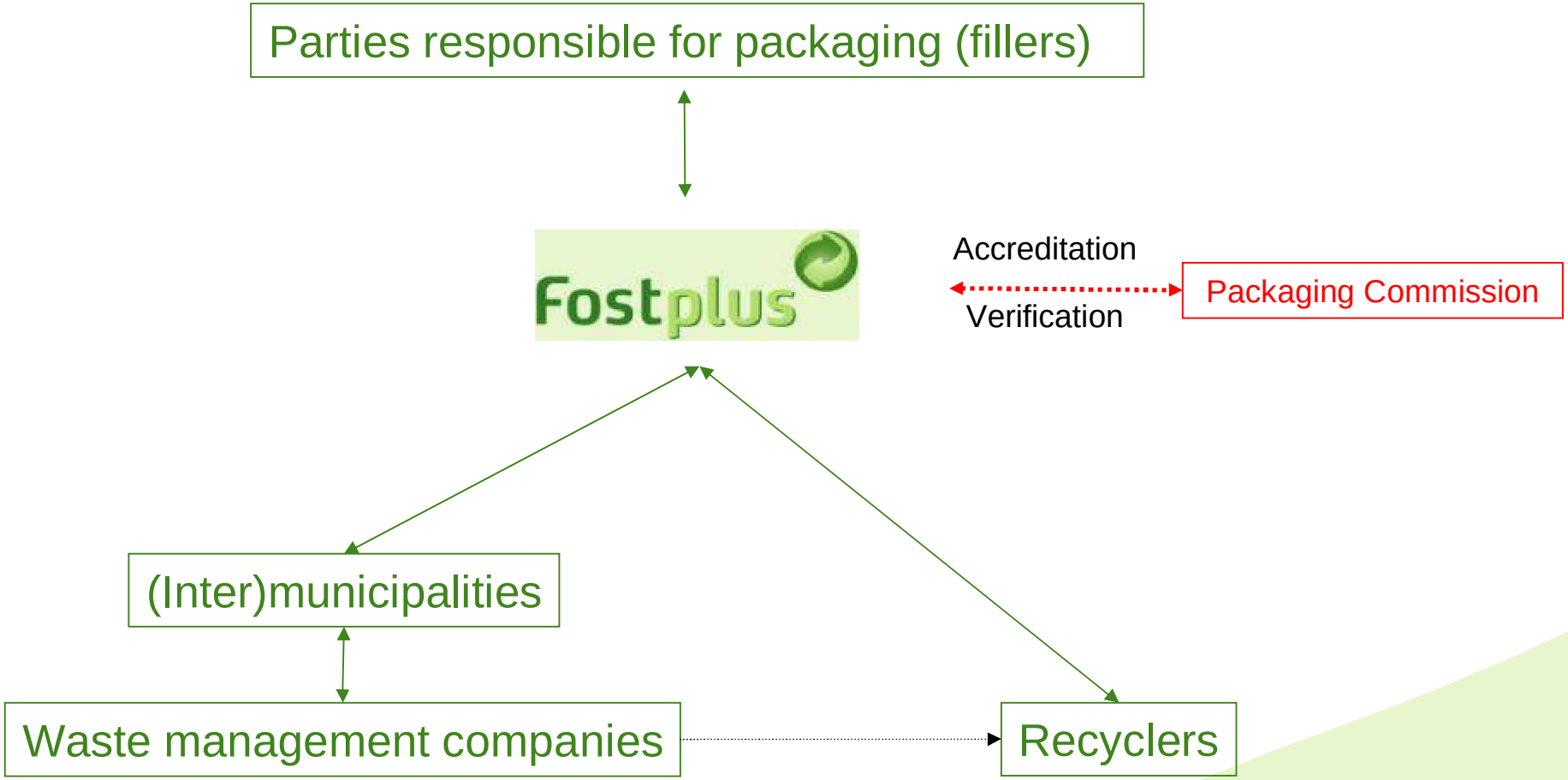
How does the system work



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Which are the parties responsible for packaging?

- The party responsible for packaging is the company who packages or has had goods packaged in Belgium in order to bring them on the Belgian market
- When products have not been packaged in Belgium, the party importing the packaged goods.

The party responsible for packaging may either fulfil its duty itself (by reaching the objectives imposed by the law) or conclude an agreement with an accredited body (like Fost Plus).

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The members – how does it work?

- Packaging responsible - household packaging
- Open-ended agreements (can be terminated each year)
- Yearly declaration of packaging quantities
- Contribution determined by quantities and types of packaging
- Right to use the Green Dot mark
- Simplified declaration systems for smaller companies
- Limit for packaging responsible: 300 kg
- Specific rules for service packaging
- Prevention plan (300 tonne)

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Members: Green Dot logo

- The Green Dot logo on packaging means that the company putting that product onto the market contributes to finance selective collection, sorting and recycling of household packaging.
- It does not mean that the packaging or the product in the packaging is made of recycled material nor that the packaging will be collected and recycled. It is not a sorting instruction.

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Collection and sorting

- Co-operation with (inter)municipalities
- Standard agreement with a duration of 5 years
- Specifications for collection and sorting: quality criteria and administrative monitoring (ProFost)
- Public allocation according to legal procedures
- In case of services provided by intermunicipality: price negociated
- Payment: full cost of collection and sorting, communication, follow up, quality bonus, …

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Collection scheme

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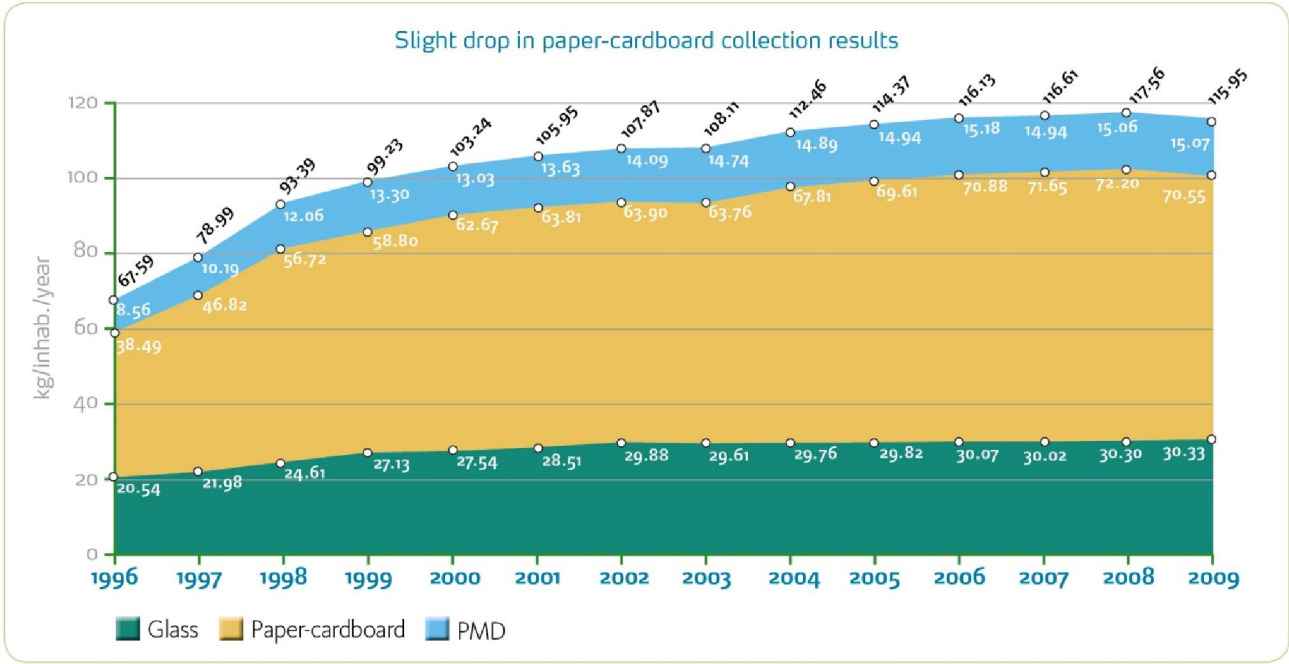
Collection results



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Collection and sorting

	€/Ton	€/inhabitant
• Glass	49	1.5
• Paper & Cardboard	51	1.1 (30%)
• PMD collection & sorting	368	5.3

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Recycling

- Collected and sorted packaging is allocated to recyclers on the basis of invitations to tender with detailed specifications
- Selection of recyclers is supervised by a joint committee (intermunicipalities, IPC, Fost Plus)
- Price indexation, linked to price evolution of raw materials
- Material organisations: expertise and control
- Verification by independent auditors

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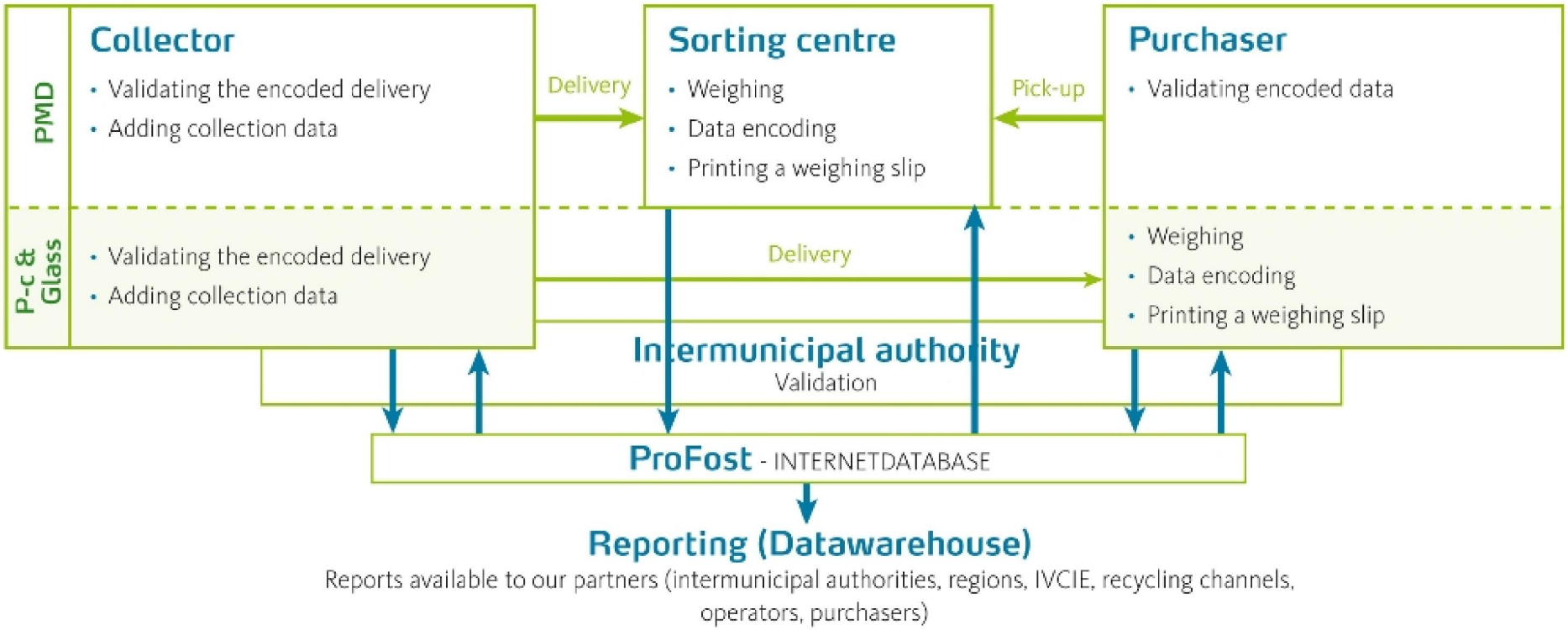
Data management



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Quality management

- PMD
  - Monitoring of quality and quantity
  - Checks during collection, in sorting centres and at recyclers
  - Monitoring of “PMD-residue”: percentage and composition
- Glass
  - Location, cleanliness and emptying of bottle banks
  - Audit of collectors and recyclers
- Training collectors and other target groups (e.g. environmental officers)
- Complaints management

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Cost of the system
(for 10.8 million inhabitants and 94% recycling rate)

Packaging Responsibles (producers, private label retailers, importers)

75 Mio EUR

Sale of material for recycling

38 Mio EUR

113 Mio EUR

Collecting and sorting expenses (incl. intermun. adm.)

95 Mio EUR

Communication (incl. litter)

9 Mio EUR

General Fost Plus

9 Mio EUR

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What about competition

- EPR should be in hands of obliged industry
- Accredited body should be not for profit
- Competition at clearing level is not necessary (= 10% of cost)
- Operations = 90% of the cost à competition is required.

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Success of EPR also depends on

- Communication
- Out of home consumption
- Prevention
- ...

See some examples

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Communication

Making sorting into an automatism implies a change of behaviour. Communication is here an indispensable tool.

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Communication – Youth Event

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Youth – Secundary schools

Da's proper!

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Youth Movements

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Littering

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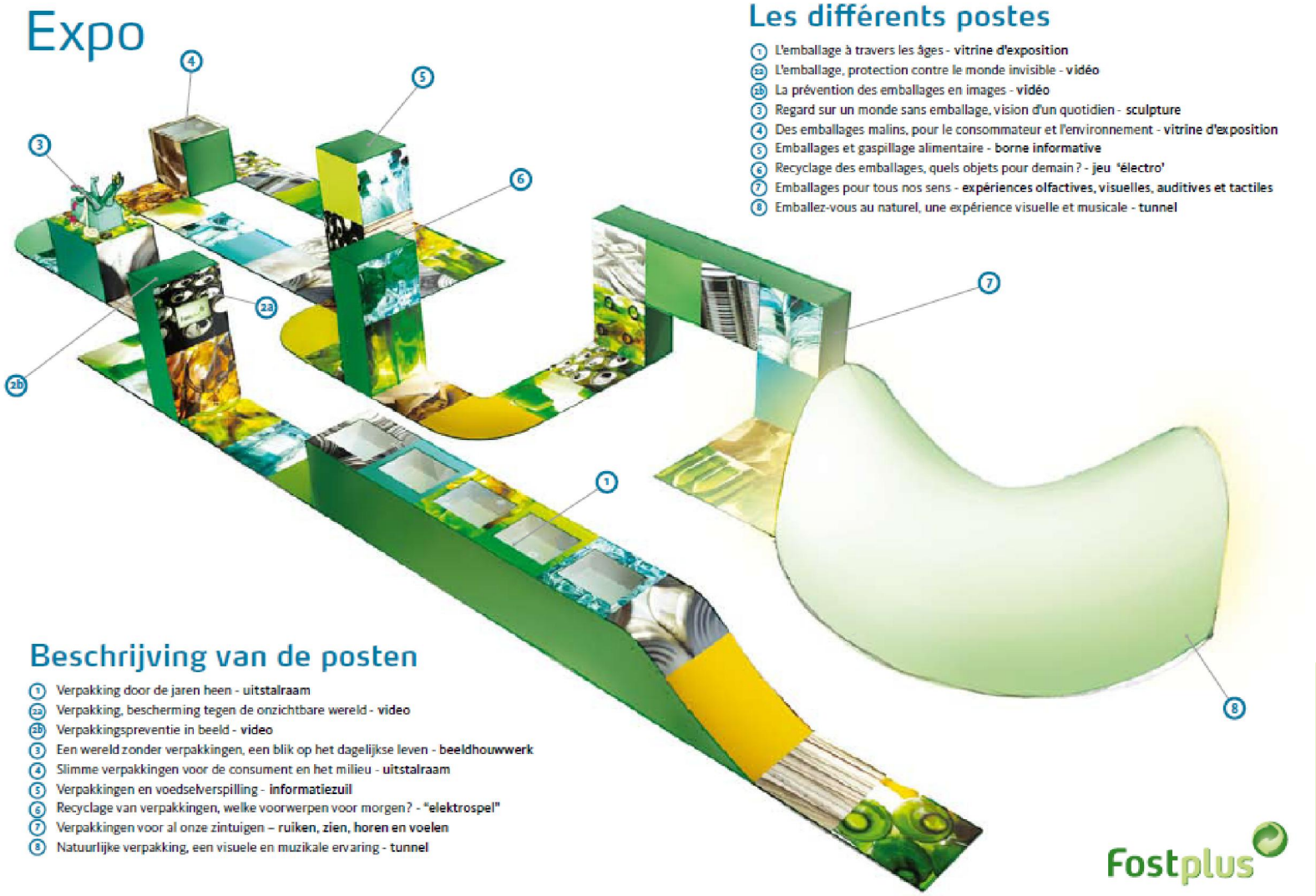
Exposition packaging



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Why are some countries not catching up ?

- Because industry is not fully committed
- Or there is a lack on required supporting legal framework/instruments
- And/or because authorities do not give the necessary trust to the industry and trade to allow them to set up a system in the way that has proven successful

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Lessons learned

- Obliged Industry (fillers and retailers) has to commit itself fully and has to be pro-active
  This includes a commitment to bear a substantial part of the cost
- All stakeholders should agree on the common goal and the way to reach this goal : selective collection (a necessary evil!) with basic collection scenario to reach the environmental goal
- The legislation has to be realistic and feasible (strict framework + flexibility)
  Legislation has to take into account the whole waste management = most appropriate mix of instruments to support EPR
- Government has to enforce and monitor the implementation
- Local authorities should collaborate with industry experts in designing their waste management system

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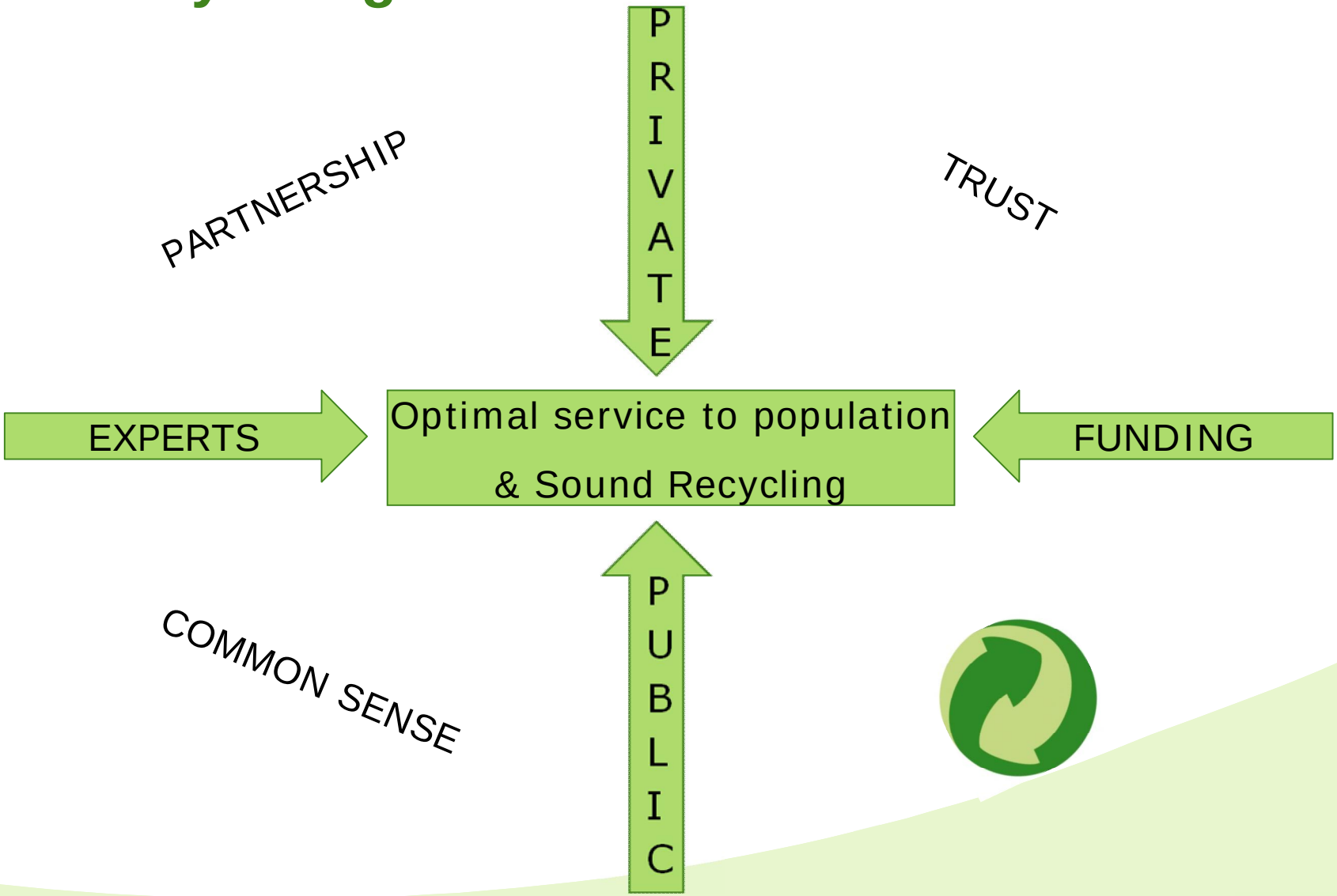
Everything turns on this



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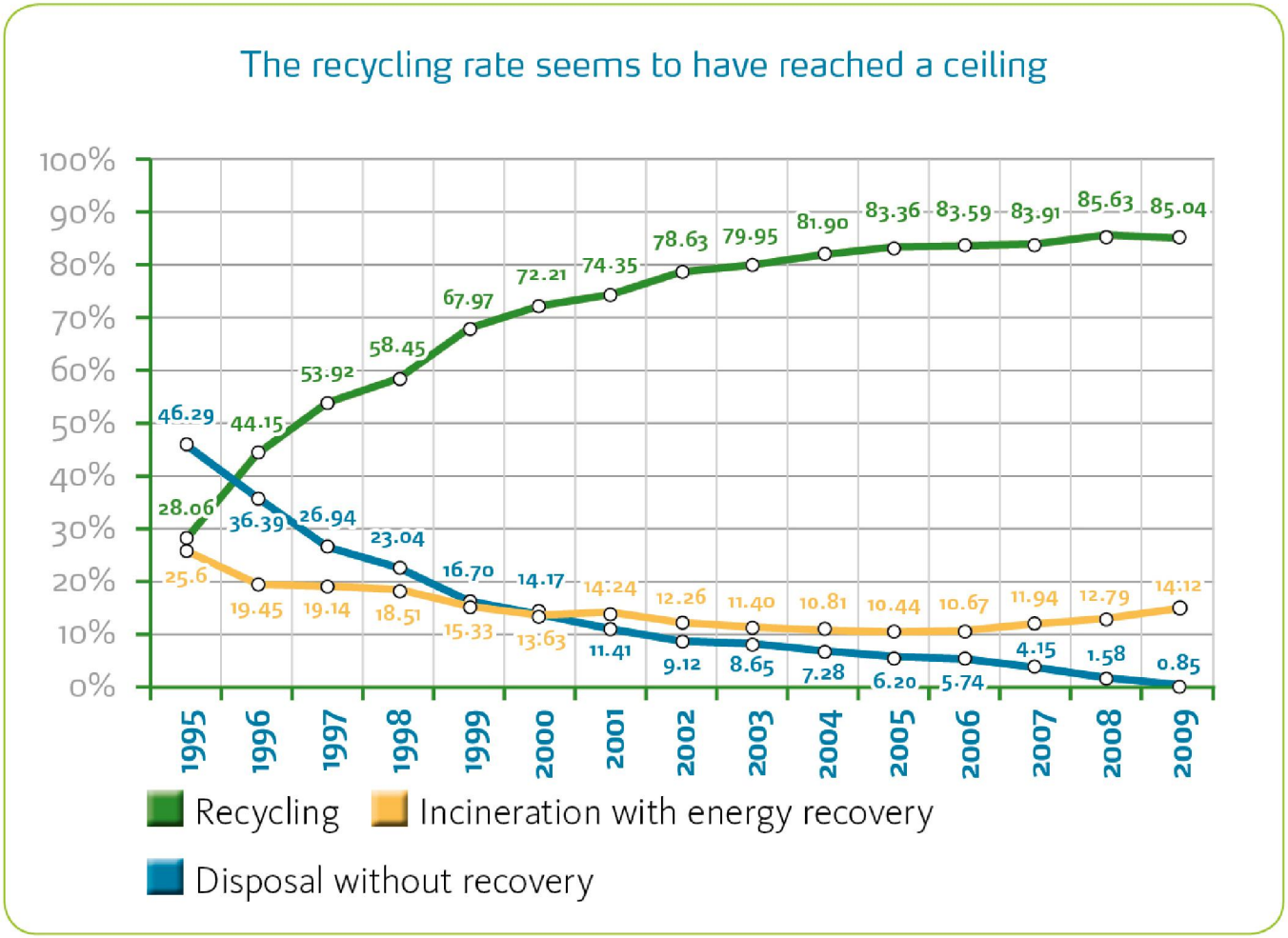
Treatment of household packaging's



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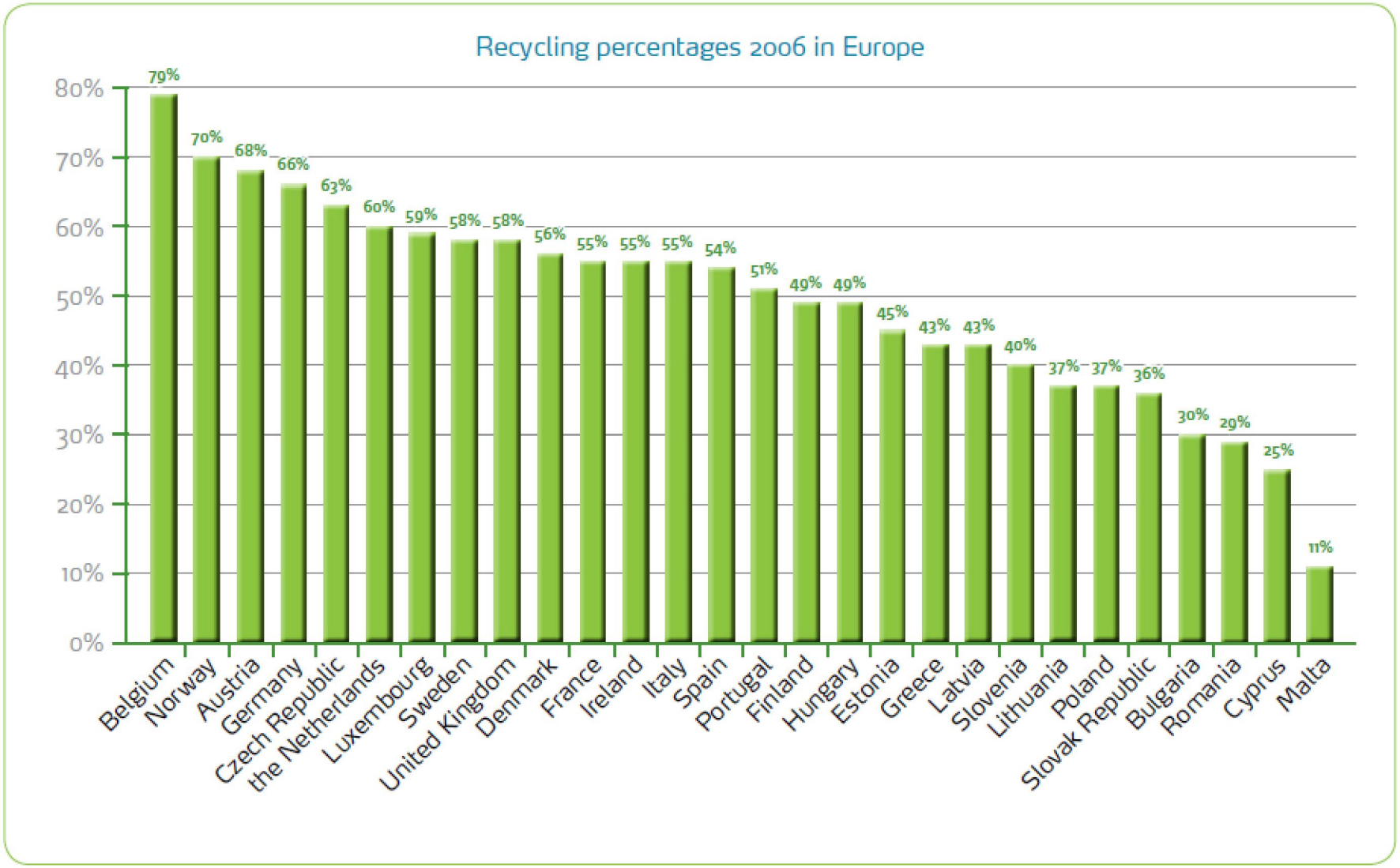
Recycling in Europe



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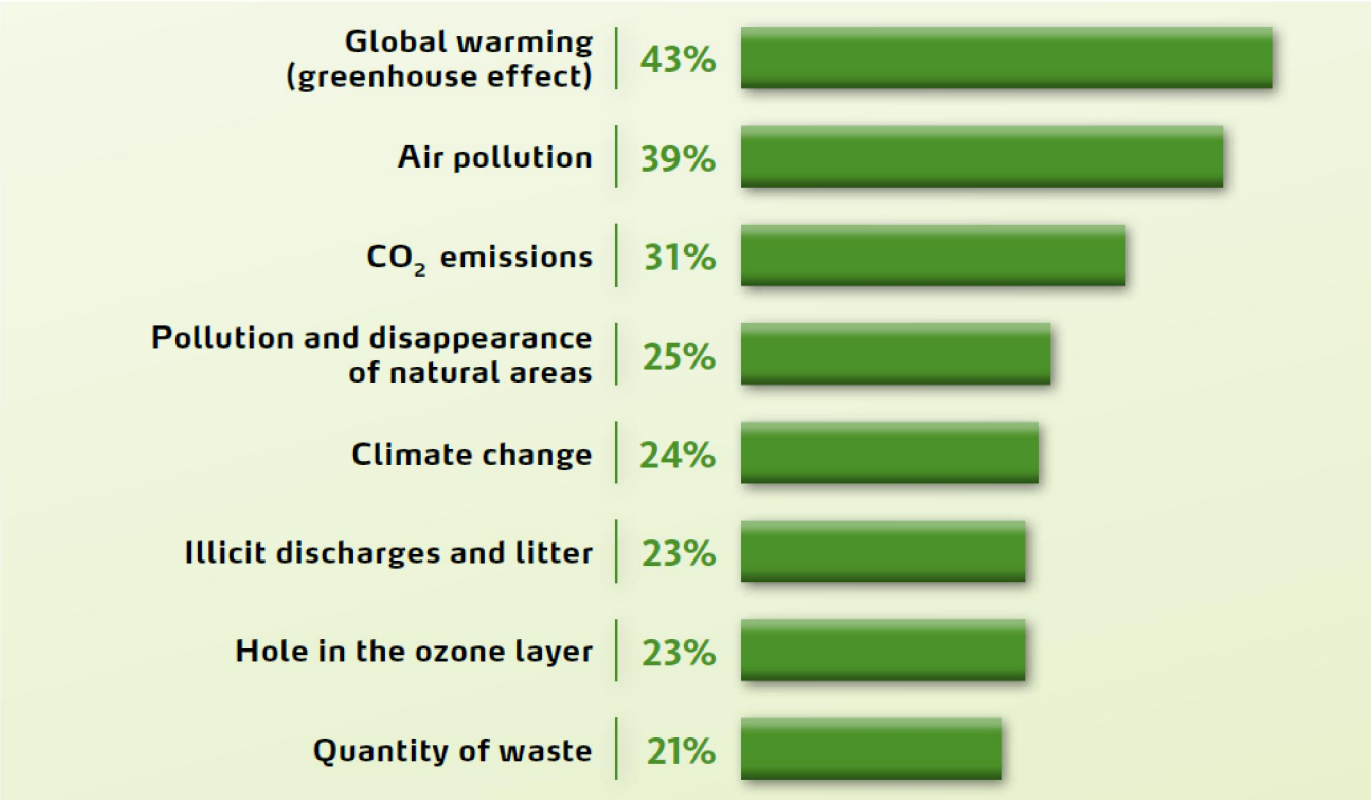
Climate change and CO_2 rank high in the list of environmental concerns …

"What do you feel are
the three most important problems?"



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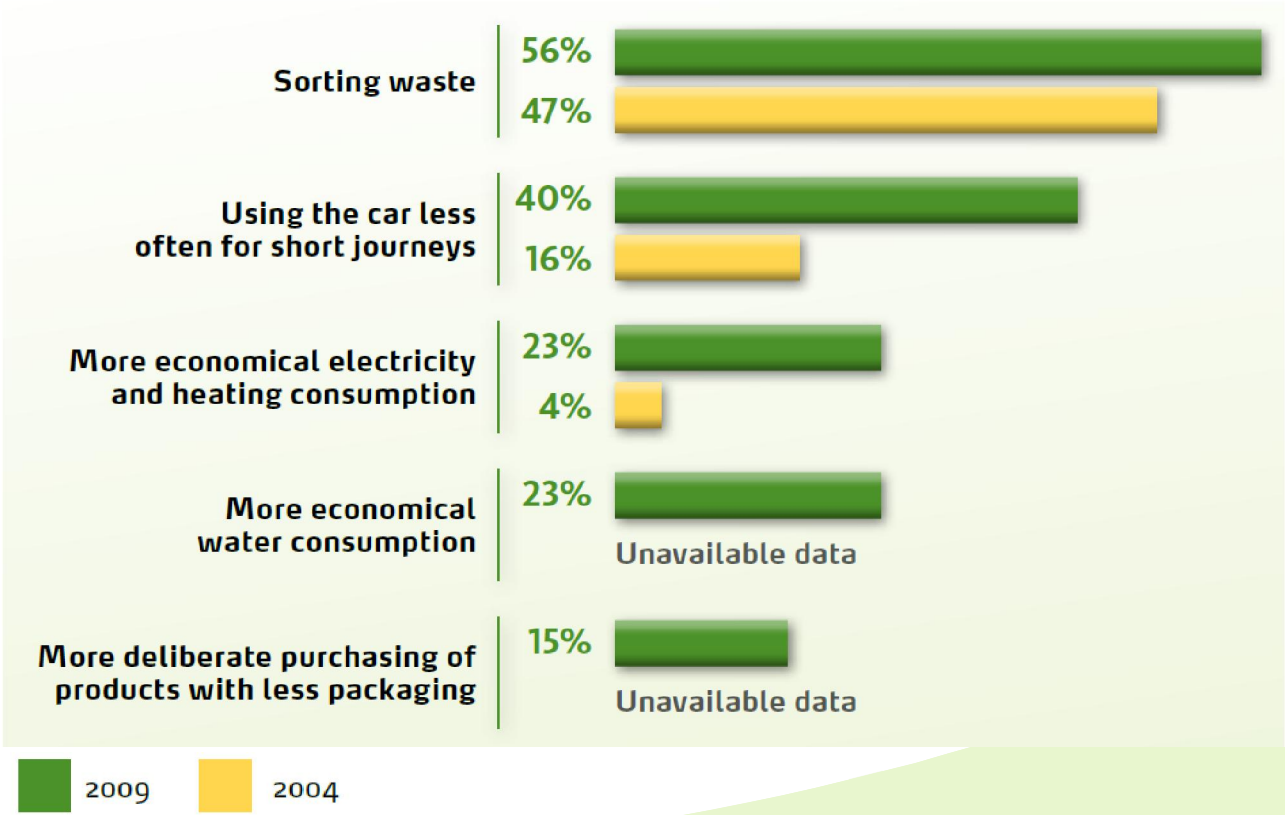
… but waste sorting remains the most important effort consumers make

"What do you think are the three aspects which have the most impact on improving the environment?"



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