

The New Era

Following the launch of the Circular Economy Package, which adopted legislative proposals for greater recycling and reuse, specifically under the various producer responsibility regimes, **David Burton**, policy director of ecosurety, looks at it from a compliance scheme perspective

It is a well-established principle that producers, as defined within producer responsibility (PR) legislation, meet their obligations through a collective approach – namely by joining, in the UK, one of the many producer compliance schemes (PCSs). It is the role of a PCS to ensure it meets the set legal obligations on behalf of members. The European Commission (EC)’s December proposals for moving towards a circular economy include measures that will impact upon the role of a PCS – either specifically through legislative measures and/or through market impacts.

According to the EC, the circular economy offers an opportunity to reinvent our market for raw and service goods, making it more “sustainable” and competitive. This, it claims, will bring benefits for European businesses, industries and citizens alike. The circular economy is described as a win-win situation with:

- savings of €600bn for EU businesses, equivalent to eight percent of their annual turnover
- the creation of 580,000 jobs
- the reduction of EU carbon emissions by 450m tonnes per year.

Only time will tell if all or any of these are deliverables clearly within the PR regimes. What is clear is that producers will be looking to their compliance providers to deliver solutions. Meanwhile, PCSs need to be able to predict, pre-empt and adapt to any PR legislative change in order to provide those solutions.

Circular Economy Measurement

A COMMON EU target for recycling 65 percent of municipal waste by 2030

(currently set at 50 percent by 2020):

This “push” mechanism, which ignores the demand pull of recycle markets, can boost investment because of the low cost availability of secondary raw materials. However, it could also penalise tax payers who may have to subsidise collection/recycling as local authorities (unlike in WEEE) are not entitled to free collections of packaging waste.

The supply/demand balance, move towards electronic news media and subsequent shifts in UK paper production, different target approaches across the various devolved administrations, plus cuts in local authority budgets, are all going to need considering within the mix in order to achieve a coherent and realistic approach to this blanket target.

A COMMON EU target for recycling 75 percent of packaging waste by 2030 (currently set at 70.8 percent):

There is some discomfort in looking at recycling targets “at any cost”. This could be interpreted as environmental cost, without taking into account (as top of the hierarchy) the use of packaging in the first place.

While the Packaging Essential Requirements Regulations stipulate packaging volume and weight must be the minimum



amount to maintain necessary levels of safety, hygiene and acceptance for the packed product – and for the consumer – it is clear that much packaging exceeds these requirements. Yet there have been little, if any, prosecutions in recent years; little activity by the regulators (Trading Standards); and little evidence of public rejection of such packaging.

In short, we see a future role for PCSs to assist their members to tackle these challenging areas; working with packaging suppliers to identify sustainable sources, efficiency, recyclability, and, however uncomfortable initially, minimisation.

A BINDING landfill target to reduce landfill to a maximum of 10 percent of all waste by 2030, a ban on landfilling of separately collected waste, and promotion of economic instruments to discourage landfilling: Many years ago I was a founder member and the first convenor of the UK Buy Recycled Programme. We attempted to convince the private and public sectors to use and specify products and material containing recycle. Without this market “pull mechanism” we believed we would see the introduction of legislative push, regardless of demand. This second phase is now a reality; a legislative “push” era. Increasing costs and scarcity of landfill, the landfill tax and various public sector recycling targets have all stimulated diversion from landfill, with some of the financial costs borne by the private sector under PR legislation.

Unless the UK can also introduce financial mechanisms to ensure market uptake of recycle-containing products and materials, where life cycle analysis shows an overall reduced environmental impact, and we emphasise fitness for purpose – not appearance – diversion from landfill will simply encourage greater incineration.

The attendant risks from this are that the problems of disposal are seen to be solved and we can carry on consuming as never before.

CONCRETE MEASURES to promote reuse and stimulate industrial symbiosis – turning one industry’s by-product into another industry’s raw material: The irony of course is that where it is economic to do so, this activity has been taking place since time immemorial. We have seen in recent times legislative push (landfill tax, et al) having quite an impact in the building sector with the separation of rubble, plasterboard, wood and other materials. Technically most materials can be recycled; the challenge is one of carrying out the process, including logistics, in a commercially viable manner and creating market outlets for the output materials and products.

The waste recycling sector, in looking to invest in material reprocessing of another sector’s by-products, has to take into account the risks that the by-product should not be created in the

first place. It is high risk investing in something that arguably should not even exist. From my own experience, these investment decisions are becoming more difficult. Innovation inside the sector is often constrained, and operators can be caught out by inflexible regulatory oversight based upon limited or outdated knowledge.

Looking “Upstream”

THE UK packaging waste regulations only reward those who currently recycle packaging waste through the sale of packaging waste recovery notes (PRNs). This provides no funds for initial investment by new market entrants. In the knowledge of constraints of the current system we are, at ecosurety, taking a bold step of giving our members the choice of where their funds should be invested, closing the loop on new investment, as well as supporting existing processes.

ECONOMIC INCENTIVES for producers to put greener products on the market and support recovery and recycling schemes (eg, for packaging, batteries, electric and electronic equipment, vehicles):

It is curious that two entirely different subjects have been linked in the statements from the Commission. Let’s look in detail at the second issue: there are already significant support mechanisms for recovery and recycling schemes, some of which should not be invoked until there are market failures (we don’t need support mechanisms to collect lead acid batteries or scrap cars until intrinsic scrap values make such collections uneconomic). Others do not impact upon investment decisions by the relevant sectors (eg, historic paper PRN prices at less than £1 per tonne when recovered paper market prices have been at about £70 per tonne).

On the first point, after the recycling sector has carried out all its labours collecting the detritus from society, perhaps we all need to look “upstream” to see who or what is causing the UK’s throwaway culture. We are driven by pursuit of economic growth fuelled by consumerism, which promises to create feelings of happiness and contentment from the purchase of goods and services. While we continue to buy products that appeal to our self-esteem, provide endless but unfulfilling “entertainment”, result in unhealthy diets and which are produced from ever-depleting resources, how are we ever to create a benign circular economy?

The circular economy approach is clearly here to stay. Any PCS with values entrenched in sustainability should be now thinking fast how it can take members beyond pure legal compliance and provide support that embraces this core concept.

There will be real opportunities to go beyond the PR requirements, as companies need to adapt to the new era. Once thing is also for sure... the challenges are not going away. ■



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The Author

David Burton has been involved in sustainability and recycling issues for over 40 years and was responsible for the launch of a number of recycling ‘firsts’ (including paper banks and fortnightly wheeled bin collections). He has been active in producer responsibility issues for over 20 years and has successfully established a number of compliance and operational projects in that time.