



Extended Producer Responsibility packaging governance model proposal

The [Defra consultation on reforming the UK packaging producer responsibility system](#) is seeking views on measures that aim to address the widely recognised problems inherent in the current system.

Part C: Section 7 of the consultation presents four options for future governance arrangements to address the need for a more transparent system and considers compliance monitoring and enforcement.

Ecosurety believe that none of the options in the consultation provide an optimal solution that will successfully address the problems in the current system. That is why we have considered how the best features of each model can be used to create an alternative approach that serves the system principles outlined by Defra and can also deliver the outcomes the government and country desire.

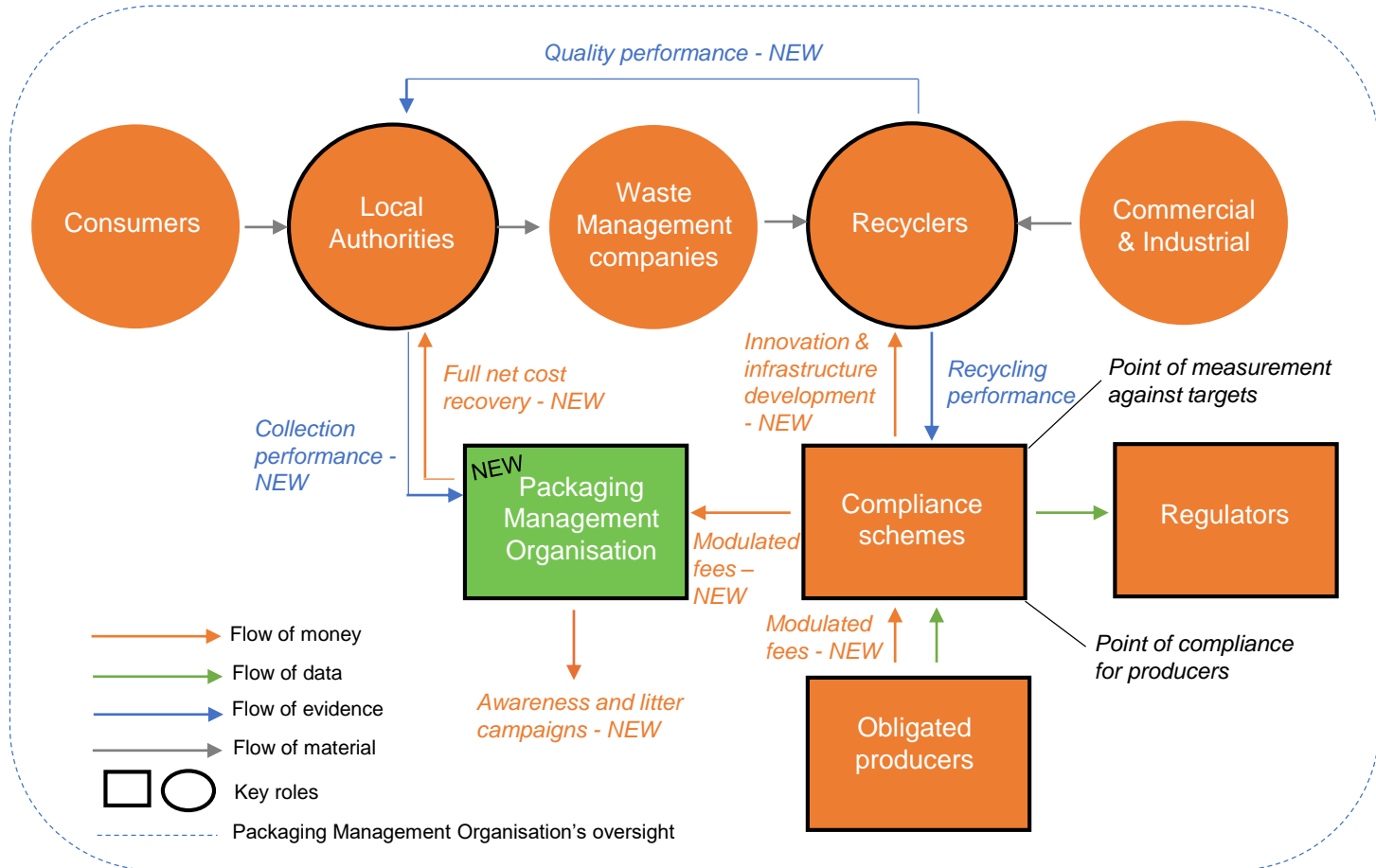
We urge those involved in creating, selling, collecting, sorting or recycling packaging to consider this alternative 'centralised competition' approach, rather than compromising on one of the four options presented. Its very value is in the fact it hasn't been developed in isolation but rather through listening and reflecting back thoughts of all the actors involved.

If you are in agreement with our proposed centralised competition model, you can reference it in your response to the consultation by including this weblink: <https://www.ecosurety.com/centralised-competition-model>.

Robbie Staniforth, head of policy, Ecosurety

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ecoSURETY 'centralised competition' model



Ecosurety 'centralised competition' model – Key roles and responsibilities*

Compliance schemes

- Accountable for their members share of the packaging waste recycling targets
- **Prepare strategic and operational plan**
- **Monitor/audit material flows and end-markets, recyclers and producers**
- Register and manage member data
- Secure evidence of reprocessing
- **Produce and publish annual reports, including nation specific reporting**
- **Transfer producer funds to Packaging Management Organisation for campaigns**

Producers

- Join compliance scheme to discharge obligation
- Provide data on packaging materials/formats (by nation)
- Pay regulator registration, scheme membership, **modulated Placed On Market** and evidence fees

Regulators

- Approve compliance schemes
- Monitor schemes (and spot monitoring of recyclers/exporters and producers)
- Data validation and publication (especially evidence generated by recyclers)
- Enforcement action if obligations are not met
- **Centralised data system – NPWD would need to be upgraded to handle additional attributes**
- **Investigate free-riders**

Packaging Management Organisation

- **Establish the 'approved' list of recyclable packaging and proposes the modulation formula for schemes to charge to producer members**
- **Administer arrangements for supporting litter/communications campaign in each nation**
- **Allocate costs from local authorities and businesses for household/household like packaging to compliance schemes, using rurality groups**
- **Administer Compliance Fee fund**
- **Oversee functioning of whole system to advise government**

Recyclers

- Trade evidence of recycling to compliance schemes
- Register with regulator (of domicile) - report figures monthly and sell evidence notes
- **Report capacity/innovation investment to compliance scheme**
- **Work with compliance scheme to develop [recycling infrastructure and innovation in recycling methods](#)**. Click links to see examples of real projects.

Local Authorities

- **Implement consistent collection framework**
- **Report tonnages collected for recycling, received payments based on performance within "rurality"**
- **Work with Packaging Management Organisation to ensure full net costs are covered by compliance scheme on behalf of members/producers**
- **May play a role in awareness and litter campaigns' implementation.**

*In bold blue: new responsibilities

Features and benefits of Ecosurety 'centralised competition' model

This model retains features and benefits of the 4 governance models proposed by Defra.

Features	Benefits
Compliance schemes competition to maximise value (<i>model 1</i>)	<p>For obligated producers: they can choose their compliance scheme, and change if unhappy with any element of the service. Healthy competition between schemes encourage lower costs and better service for producers. As the compliance scheme role would require more expertise and resource than today, a natural decrease of players in place would be expected.</p> <p>For recyclers: they can get more value from their recycling evidence by working with competing compliance schemes.</p>
Consistent/ fair LA funding (<i>model 2</i>)	<p>For Local Authorities: this would help to improve collection consistencies across the country as well as quality and quantity of recycling materials.</p>
Centralised fee modulation and communications (<i>model 2</i>)	<p>For all stakeholders: national awareness and litter communications would have a bigger impact than separate uncoordinated initiatives.</p> <p>For obligated producers: a centralised fee modulation would ensure that costs are evenly shared.</p>
Separation of Commercial & Industrial and Household /household like waste collection service provision (<i>model 3</i>)	<p>For Local Authorities: fair funding from the Packaging Management Organisation based on the quantity and quality of material collected (rather than on the most economical to collect if it is on a commercial system)</p>
Support of innovation and infrastructure development (<i>model 4</i>)	<p>For recyclers: this model boosts investment in recycling infrastructure from producers via compliance schemes, which would be a great opportunity for recyclers to get to develop their activities and increase efficiencies. See examples of infrastructure and innovation projects initiated by Ecosurety with recyclers.</p>
Compliance schemes to issue an annual report (<i>models 1 & 3</i>)	<p>For all stakeholders: this would ensure transparency on how they provide tangible support to recyclers to increase UK recycling capacity and to boost innovation on recycling the currently unrecyclable materials.</p>

Risks of the 4 models and mitigation in Ecosurety ‘centralised competition’ model

This model mitigates the risks of the 4 governance models proposed by Defra.

Main risks of the 4 models	Mitigation in the ‘centralised competition’ model
Local Authority contract “orphaning” (<i>model 1</i>)	By centralising local authority funding, those councils with high collection costs will not be left without a compliance scheme contract to cover collection costs due to commercial competitiveness between schemes.
Compliance schemes running all aspects of system (<i>model 1</i>)	The introduction of a Packaging Management Organisation to oversee the system and hold into account the compliance schemes to maximise efficiencies and reduce fraud in the system.
Packaging Management Organisation single point of failure with potential inefficiencies due to lack of experience and huge size (<i>model 2</i>)	By splitting responsibilities between a Packaging Management Organisation and compliance schemes this model reduces the risk of bottle necks and maximise efficiency by encouraging development of specific expertise.
Separation of Commercial & Industrial and Household/ household like packaging (<i>model 3</i>)	By including Commercial & Industrial and Household/household-like packaging in the same system, classification difficulties at placing on market and collection/reprocessing stages will be avoided. There will be no need for reprocessors to make an assessment to sub-divide packaging material between the two categories.
Lack of strategic direction (<i>model 4</i>)	Strategic direction for communications, modulated fees and LA funding will be provided by the Packaging Management Organisation. Compliance schemes will be responsible for strategic investments to develop end-markets that would see increases in innovation and capacity of reprocessing.