



# 15 BASIC PRINCIPLES:

## Establishing an effective extended producer responsibility (EPR) scheme for packaging

### BACKGROUND

Plastic pollution has been recognized as a global crisis. According to recent research, approximately 11 million tonnes of plastic enters the ocean yearly, and current projections suggest plastic waste is expected to quadruple from 2010 to 2050.<sup>1</sup> If no action is taken, the annual flow of plastic into the ocean could nearly triple by 2040. However, plastic pollution impacts are not limited to our oceans, and there is growing evidence of significant ecological, economic and social impacts across the entire plastics value chain. In response, WWF has launched the “No Plastics in Nature” initiative, which aims to stop the flow of plastics into nature by eliminating unnecessary plastic items; doubling reuse, recycling and recovery; and ensuring the remaining plastic is sourced responsibly.

The key to stopping the leakage of plastic pollution into our environment is developing a circular plastics economy. This closes the loop of plastic production and creates more circular systems from beginning to end, focusing on reducing use, redesigning packaging, increasing reuse and recycling, and using sustainable alternative materials where appropriate. However, today only 14% of plastic packaging is recycled, and only 2% achieves circularity<sup>2</sup> despite the growing focus on this topic.

In large part, the low recycling levels are due to limited demand for recycled plastic and the lack of funding to

support effective recovery and recycling systems. WWF believes that extended producer responsibility (EPR) schemes have a critical role in financing a circular plastics economy by holding manufacturers financially accountable for managing their plastic products and packaging’s end-of-life impacts, as well as incentivizing holistic eco-design in the business sector.

### WHY WWF HAS DEVELOPED THIS SET OF EPR PRINCIPLES

Since the concept of EPR first emerged in the late 1980s, a number of EPR schemes have been developed in a wide range of countries. A 2013 study conducted by the OECD found that over 400 EPR schemes were already in operation worldwide, of which about 17 % were packaging related.<sup>3</sup> However, it remains questionable whether the design of many of these EPR schemes has created the desired outcomes to steer the transition from a linear to a circular economy.

To help governments, the private sector and civil society stakeholders to develop effective EPR schemes, WWF has developed this set of basic principles for designing and implementing effective EPR frameworks. These principles will serve as a benchmark for stakeholders to ensure that current EPR schemes are on the right track towards a circular economy and provide guidance for future policy designs.

## GENERAL CONSIDERATIONS ABOUT EPR FRAMEWORKS



1. EPR schemes should be legislated to steer the transition from a linear to a circular economy<sup>4</sup> and require a clear and detailed set of material-specific quantitative targets for reduction, reuse and recycling. They should be designed with clearly defined duties and responsibilities and complemented by a monitoring system supervised by the government.



2. EPR schemes should be designed to prioritize actions according to the waste hierarchy (reduction, reuse, recycling) and encourage efforts towards a sustainable circular economy. For example, they can incentivize reduced waste and increased recycling of packaging by modulating their fees based on the degree of recyclability.



3. There should be coherence between the EPR framework and existing policy instruments developed to reduce pollution, e.g., bans, waste taxes, product and material taxes, product standards, labelling, voluntary agreements, procurement policies, and information and awareness campaigns.



4. EPR schemes must consider the specific context of the country in which they will be implemented (including existing waste management infrastructure, local cultures and policy frameworks). A practical scheme should be informed by an in-depth stakeholder mapping and understanding of the whole plastics value chain, ensuring the participation of all sectors (including the informal sector).



5. EPR schemes require a genuine and transparent process of collaboration and open sharing among key stakeholders throughout the entire value chain of waste management in any specific country. These stakeholders include national government, local authorities, business and producers, waste management companies, trade unions, the informal sector, and NGOs.



6. The producer responsibility organization (PRO) is the key coordinating stakeholder responsible for operating the EPR system within the legal framework's boundaries. The PRO is ideally an industry-led non-profit organization. Initially, only one monopolistic PRO is recommended; thoroughly regulated competitive PROs can be established once the EPR scheme solidifies.

## FINANCING AND CONTROLLING



7. Financial resources collected under the EPR scheme should be used exclusively for the purpose of collecting, sorting and recycling, as well as related communication activities and administration costs of the EPR scheme. In practice, this principle differentiates the financing system for the EPR scheme from taxes, where the use of the money collected is often not ring-fenced for specific programmes.



8. All costs for collection, sorting and further recovery steps must be provided by the producers, importers and fillers of products. The fees set by the PRO should cover all net costs for waste management of the products or packaging.



9. EPR schemes should include criteria that improve the environmental performance of products and/or packaging. Such eco-modulation of the waste stream can entail, but is not limited to, lower EPR fees for products or packaging that are easier to reuse and recycle than others.



10. EPR schemes should include instruments to combat corruption. Financing and financial flows must be transparent and involved institutions should be disclosed. Greater transparency of information enables better monitoring, benchmarking and comparison. Results of the monitoring should be made publicly available (e.g., in annual PRO reports). This information can, for example, include collection, recycling and reuse rates achieved by EPR schemes;

fees charged to producers, costs incurred and resale revenue; detection of “free riders” (producers who do not pay but still benefit from an EPR scheme); identification of anticompetitive practices by producers, PROs, and waste management companies; and monitoring compliance with targets.



11. EPR schemes should set up control bodies to secure adequate coverage of all relevant operators. These control bodies should continuously regulate and impose penalties on operators who do not comply with the legislative provisions in force.

## SCOPE



12. EPR schemes should clearly define all packaging materials and/or products within the system’s scope in a way that makes it easy to identify eligible products. At the same time, they should avoid creating loopholes for alternatives that do not tangibly improve the original environmental problem or that create others. Importantly, an effective and comprehensive EPR scheme should include all packaging materials and not focus only on one particular material.



13. EPR schemes should have a clear and detailed set of quantitative targets for reduction/reuse/recycling developed for each of the objectives (ideally for each packaging type). These targets should be developed in consultation with all stakeholders and should be reported against annually by the PRO (possibly audited by an independent body).



14. EPR schemes should be effective and valid for all stakeholders in the relevant region or country according to clearly defined responsibilities, e.g. obligation to pay fees or ensure recyclability of packaging.<sup>5</sup> The scheme must also take the export and import of relevant products, packaging and waste into account and ensure that all companies are playing by the same rules.

## INCLUSIVITY



15. EPR schemes need to be inclusive and enable the integration of all stakeholders. The PRO should implement accessible and fair complaint procedures so that both formal and informal workers can raise concerns and report abuse.

**a.** Obligations for producers, importers and fillers should not adversely affect small and medium-sized enterprises (e.g., by adapting reporting requirements, by providing training and assistance) while still requiring all involved stakeholders to play by the same rules.

**b.** Any waste management interventions should include consultation with the informal waste management sector (if present) to ensure inclusive solutions and safeguard the livelihoods and fundamental human rights<sup>6</sup> (e.g., income security, safe working conditions, training and upskilling, ending child labour) of waste workers.

## References

1. The PEW Charitable Trusts. 2020. *Breaking the Plastic Wave*
2. Ellen McArthur Foundation. 2015. *The New Plastics Economy – Rethinking the future of plastics.*
3. OECD. 2016. *Extended Producer Responsibility: Updated guidance for efficient waste management.*
4. WWF. 2020. Position paper: Circular economy. [www.wwf.de/fileadmin/fm-wwf/Publikationen-PDF/WWF-Position-CircularEconomy.pdf](http://www.wwf.de/fileadmin/fm-wwf/Publikationen-PDF/WWF-Position-CircularEconomy.pdf)
5. Detailed description of different responsibilities can be found here: [https://d20uvy59p0dg6k.cloudfront.net/downloads/2019\\_wwf\\_epr\\_legal\\_framework\\_analysis\\_vf.pdf](https://d20uvy59p0dg6k.cloudfront.net/downloads/2019_wwf_epr_legal_framework_analysis_vf.pdf), page 15, table 3
6. See WWF’s Environmental and Social Safeguards Framework for further guidance ([www.worldwildlife.org/publications/environmental-and-social-safeguards-framework](http://www.worldwildlife.org/publications/environmental-and-social-safeguards-framework))



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