

Refining EPR to Boost the Circular Economy - Executive Summary

Key Principles and Policy Recommendations

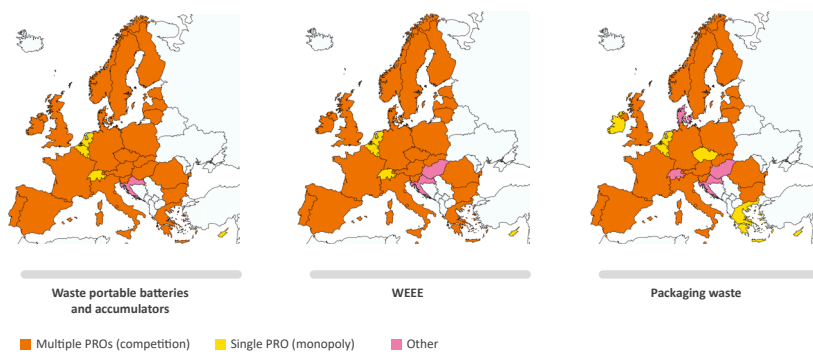
Extended Producer Responsibility (EPR) has been key towards increasing circularity, and to facilitate proper waste management. Despite this success, there are challenges ahead that can be met by further developing the EPR policy framework.

The principles and recommendations below are based on our extensive experience operating Producer Responsibility Organisations (PROs) for multiple waste streams in the EU and beyond.

This executive summary provides a quick overview. Read our white paper [here](#).

Promoting EPR in a competitive landscape

EPR, like any other business, works best in a competitive environment while safeguarding the environmental targets through strict rules, technical standards and enforcement.



We recommend to:

1. Allow the **authorisation of multiple and competing PROs** across the EU
2. Neither dictate **the governance structure** of a PRO nor **prohibit the generation of profits** - monitor compliance by a body independent of private interests
3. **Alternatively, require Member States to ensure and demonstrate that PROs charge only necessary costs to producers and**
4. **Refrain from introducing deposit refund schemes for long-lasting products**

Clear roles and responsibilities

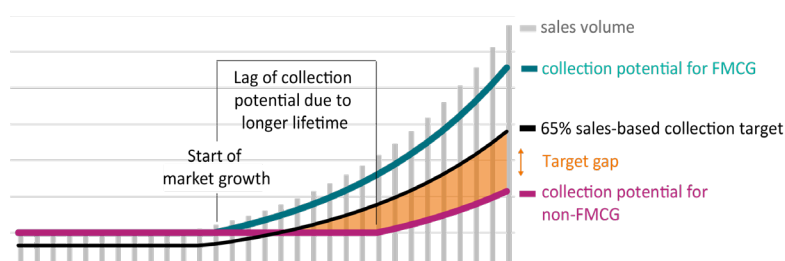
The transition to a circular economy requires all stakeholders, from producers to consumers, to fully understand their specific roles and responsibilities.

We recommend to:

1. Ensure **clear, fair and transparent legal definitions with specific roles and responsibilities for all actors, and**
2. Specially define the **required interfaces, collection and/or reporting obligations for all actors** to avoid uncoordinated **parallel waste flows and reporting gaps**

Smart collection targets

Collection targets work best when matched to the volume that can be collected by the system, rather than based on recent sales numbers given varying products' lifespans.



The target is calculated as 65% of the average of the volumes placed on the market in the previous two years. The collection potential corresponds to the volumes placed on the market two years ago (in the case of FMCG) or 10 years ago (in the case of non-FMCG).

We recommend to:

1. **Decouple collection targets from the consumption** of new products.
2. Instead, develop **more realistic alternative performance indicators taking into account lifespan of products and consumer behaviour.**
3. Ensure that **materials and products only share the same category with the same collection target if they have the same characteristics and treatment requirements**

Closing the loop through eco-modulation

The eco-modulation of EPR fees incentivises manufacturers to design more sustainable products while criteria and mechanisms are key for driving impact.

We recommend to:

1. **Harmonise design criteria** across the EU
2. Ensure that **criteria are enforceable by checking the product** when put on market instead of relying on future promises
3. Ensure that **PRO operations are fully and solely financed from the base fee**
4. **Refrain from introducing complex mechanisms** that implement bonus payments to producers
5. Establish a **dedicated, independently managed national fund promoting circular economy initiatives** that is **financed by the malus fee**, that is, all PRO revenues generated from fees higher than the base fee, and
6. Allow **Member States to define the scale** of fee modulation according to national specifics

Effective enforcement and clearing mechanisms

Any legislation is worthless if it is not properly enforced.

We recommend to:

1. **Establish a body independent of private interests or public authority in each Member State**
2. Ensure **effective national enforcement, also using the independent body**
3. Implement a **public producer register** to create transparency
4. Establish an **adequate waste allocation mechanism coordinated by a national body**
5. Promote **EU enforcement networks**
6. Promote **international enforcement networks**

Raising consumer awareness

Consumers behaviour, such as consumption and correct disposal, plays a key role in the transition to a circular economy.

We recommend to:

1. **Increase the impact of consumer awareness campaigns** to improve collections, and
2. Ensure that **campaigns are nationwide and jointly coordinated and funded by all relevant stakeholders**

EPR scope and cost elements

EPR is successful in addressing some of the most pressing issues of waste management, but it is not a silver bullet solving all environmental issues.

We recommend to:

1. Do not hold producers and PROs responsible for **wrong consumer behaviour**
2. **Limit EPR cost coverage to activities that can be controlled by PROs**, and
3. **Address wrong consumer behaviour through awareness-raising campaigns**