# EPR Extended producer responsibility

Legal background and administration



# Legal background

- Four sectors (packaging, electric- ja electronic devices, accus and batteries and end-of-life vehicles) are based on EU directives and implemented to Finnish legislation
- Two sectors (paper and used car tyres) are based on national legislation without directive background
- New sectors will be included in the future (plastic fishing gear, textiles)

## National authorities in Finland:

- Center for economic development, transport and environment for Pirkanmaa (ELY-Centre)/producer responsibility control group (5 persons)
  - acts as a national producer responsibility authority on registering, monitoring and collecting data from producers and producer organizations and it also reports statistics and implementation of Directives to the Commission.
  - The producer register is run by the Pirkanmaa ELY Centre
- Ministry of the Environment
  - is responsible for drafting legislation and providing guidance to the ELY Centre.

# Extended Producer Responsibility

Centre for economic development, traffic and the environment for Pirkanmaa

#### Decisions and control

- Producers and corporation registration decisions
- Coverage of collection networks
- Collection and recycling target achievement
- Communication to end users
- Producers priviledge to arrange waste management
- Free rider hunting

# Statistics and reporting

- Annual reporting data
- National statistics
- Reports to commission (ELV, Packaging, WEEE, B&A)
- Methodology reports to commission
- Publishing data

## Influencing

- State
   commissions of
   waste
   management
- Commissions and Nordic expertand working groups
- Stakoholder meetings
- Support for preparation of legislation Circular Economy-package
- National guideline preparation

# Communication and development

- Electronic service platform

   (applications, reporting formats etc.)
- Development and maintenance of producer register
- Guidance and help for producers
- Producer responsibility Internet-pages
- Special studies
- Newletter
- Quality system documents

Cooperati on with other Member States Illegal waste managem ent

Statisticsi

Free rider hunting



# Producer responsibility:

- Producers have to arrange and/or finance the waste management of their products/similar products
  - Approach may differ between countries
- Producers are usually manufacturers of the products (local companies), importers of the product to the country and distant seller, which sell products to end users to the country
- Retailers are usually not producers unless they are also importers. Retailers may have their own responsibilities about collection (like portable batteries), but the producers have to collect waste from retailers and the treatment
- Foreign distant sellers have to nominate authorized representative to Finland to take care
  of the responsibilities on behalf of the foreign company
- In Finland producers have to arrange collection network, transportation and treatment of the waste and pay all those costs. Note, that producers do not have to pay costs of the waste, which do not enter to their system.

# Producer responsibility:

- Register to the producer register
  - Either register straight to the register OR join approved producer organization
- If producer joins the organization, it transfers all the responsibilities to it
- Organize waste management (transport, reuse, recycling etc.)
- Arrange collection points (are free-of-charge for end users)
  - Number of collection points are defined in legislation and differ between sectors;
     must cover all municipalities
- Cover the associated costs
- Provide information to end users about the collection points and other issues, which may affect to waste management
- Keep the record of imported, collected and recycled amounts and submit the information annually to the authority
- Ensure that targets for preparing for re-use, recycling and other recovery are fulfilled

# Supervision and administrative enforcement

- Penalty payment for negligence
  - Negligence of registering/joining producer corporation:
    - one per cent of the turnover, no less than 500 euro and no more than 500,000 euro.
  - Negligence of reporting
    - no less than 500 euro and no more than 10,000 euro
- Rectification of a violation or negligence
  - Can be used in all other kinds of violation of the waste act like neglecting to arrange waste management according to legislation. Compliance can be reinforced by conditional fine. Amount of the fine will be set individually according to the magnitude of the violation.
- Take case to the police investigation

# EPR Extended producer responsibility

In practice



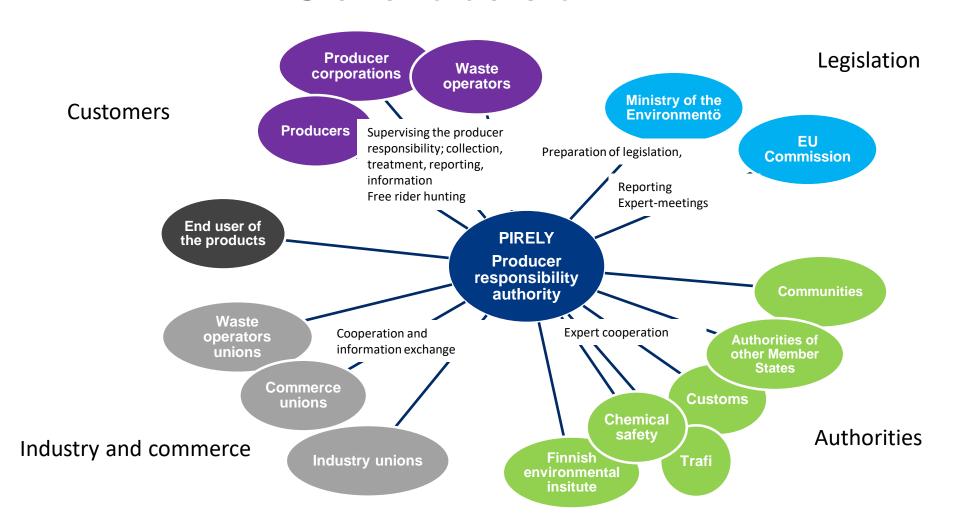
Virtanen Teemu



## Producer corporation

- Most producers have joined the corporation due to fact, that arranging collection especially for waste from B-to-C –products is impossible to individual producers due to amount of collection points
- Producers jointly establish a legally competent corporation (producer corporation) to manage the obligations imposed on producers. Only producers can form a producer corporation and be members of it. There can be several producer organization in the same sector. In that case, they have to do cooperation especially with collection network.
- If the producer's operations fall within the producer corporation's sphere of operation, the producer corporation shall take on the responsibility for a new producer's obligations by request. Fair and equitable terms shall apply to new producers compared to other members.
- Producer organizations are approved by the authority
- In a producer corporation, obligations must be fairly divided between producers, with consideration given to the nature and extent of operations, and in such a way as to avoid any barriers to business or distortion of competition
- Producers make the decisions of the rules and fees in producer corporation, not authorities
- Producers/corporations buy services market based from waste operators (public/private)

## Stakeholders of ERP



Packages	6 000 producers, 5 corporations	Glass, metal, cardboard 1 850 plastics 500 collection points	135 kg/inh/a
	80 producers, 2 corporations	8 900 collection points + collection from premises	36 kg/inh/a
ELVs	195 producers, 1 corporation	300 collection points	25 kg/inh/a
Tyres	420 producers, 1 corporation	2 720 collection points (mainly retail collection points)	11 kg/inh/a
WEEE	1 300 producers, 5 corporations	2 500 retail collection points 470 collection points	14 kg/inh/a
B&A	1000 producers, 4 corporations	14 000 retail collection points 1 400 collection points	4 kg/inh/a

# Examples of targets and fees

Sector	Recycling target	Fee (B-to-C)	Fee (B-to-B)
PACKAGING	55 % total->65 % 2025		
Cardboard+paper	60 % -> 75 %	9,5 – 49,5 euro/t	9,5 – 49,5 euro/t
Plastics	23 % -> 50 %	119 euro/t	54 euro/t
Glass	60 % -> 75 %	98 euro/t	98 euro/t
Aluminium	50 % -> 60 %	126 euro/t	26 euro/t
Iron	50 % -> 70 %	126 euro/t	26 euro/t
Wood	15 % -> 25 %	In practice do not exist	1,45 euro/t
PAPER (not packaging)	75 %	0 euro	0 euro
WEEE			
Cooling devices	75 %	200 euro/t	200 euro/t
Heating devices	75 %	9 euro/t	9 euro/t
Ovens, dishwashers etc	75 %	- 60 euro/t	- 60 euro/t
PCs, laptops, tablets	65 %	- 41 euro/t	-41 euro/t
B&A			
Alkaline batteries	50 %	620 euro/t	620 euro/t
Lithium batteries	50 %	250 euro/t	250 euro/t

Note, that these fees cover collection, transport, treatment, reporting and information to end users.

# ERP-challenges in Finland

## Large amount of producers and very different sectors

- Six sectors, at least 20 000 producers to be supervised
  - In the future also distant selling will be included
  - There is no list to be picked up about producers
- Free rider –hunting takes a lot of resources
- ERP is difficult for small comanies, especially if their acitivity covers several ESP-sectors there is no "central office" of producer corporations

## Reliable reporting data is difficult to get

- In some sectors, like WEEE and batteries is more difficult to get data (placed on market/collected/treated) than some other sectors like ELV (cars) even with intensive instructions and help.
  - Changes of directives and commissions guidelines add reporting and detailed data requests
  - Some data is difficult to get (treatment chains, rejects, multimaterial packages)
- Some of the data has to be collected straight from operators and for example leasing companies.

#### **Changes of legislation and timetables**

- Directive changes come fast very little time to implement them
- It is very important to inform producers well ahead, if possible

# Key ERP-findings in Finland

## **Everything starts from the collection – most vital part of the treatment chain**

- Collection network has to:
  - Be dense enough and have a good level of service
  - End users are well informed about the collection sites and their locations.
  - Collection sites have all permits and follow all regulations
- Free rider –hunting takes a lot of resources
- ERP is difficult for small comanies, especially if their acitivity covers several ESP-sectors there
  is no "central office" of producer corporations

## **Ownership of the waste**

- Ownership of the waste has to be well defined in all steps of the waste management process
  - If producers arrange/finance of the collection, producers usually own the waste
  - When producers make contracts, the ownership of the waste should be included to the contract
  - Cherry picking/stealing of the valuable waste is a problem

## Changes takes time

- It takes 2-3 years after implementing the legislation until system works reasonably well.
- First put the effort to build the system, supervice and control later

# There will be surprises...

## Things not not always go as you wish

- Producers do not get organised
  - No producer corporation spells troubleBe dense enough and have a good level of service
  - No collecting system no contracts no treatment no reporting
  - Collection sites have all permits and follow all regulations
- Producer corporations start unhealthy competition
  - Focus is on competition not on service
  - Good personal contacts are important, also for authorities
- Everything takes more time, than you expect
  - " Хотели как лучше, а получилось как всегда"

MAYBE, BUT

**EVEN IF IT TAKES TIME AND IS NOT EASY, IT CAN BE DONE!**