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Extended Producer Responsibility (EPR) Policy in East Asia in consideration of International Resource Circulation

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Background

This project examines the potential of EPR-based policy to strengthen the 3R (reduce, reuse and recycle) mechanism in developing Asia. A report will be published in summer 2009.

Timeline	Progress	Original Project Concept IGES and UNESCAP	Funding IGES and MOEJ
November 2006	A presentation at the Asia 3R Conference by United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and Institute for Global Environmental Strategies (IGES)	 <p>EPR Report</p> <p>Editor and Planning: Waste and Resources Project, IGES</p> <p>Contributors: Researchers from</p> <ul style="list-style-type: none"> -Beijing University -Thai Environment Institute -Institute for Development Economics, JETRO -National Institute of Environmental Studies -IRG Systems South Asia Ltd. -IGES -International University, Japan -Fuji Xerox -UNEP/Wuppertal CCSCP <p>Regional 3R Forum in Asia</p>	
February 2007	"Expert Workshop on EPR and International Material Flow" (Manila, February 14 2007) co-organized by UNESCAP and IGES		
2008 - 2009	Commissioned survey on current situation of EPR policy in Asia from Ministry of the Environment of Japan (MOEJ)		
Summer 2009	Report to be submitted to the Regional 3R Forum in Asia		

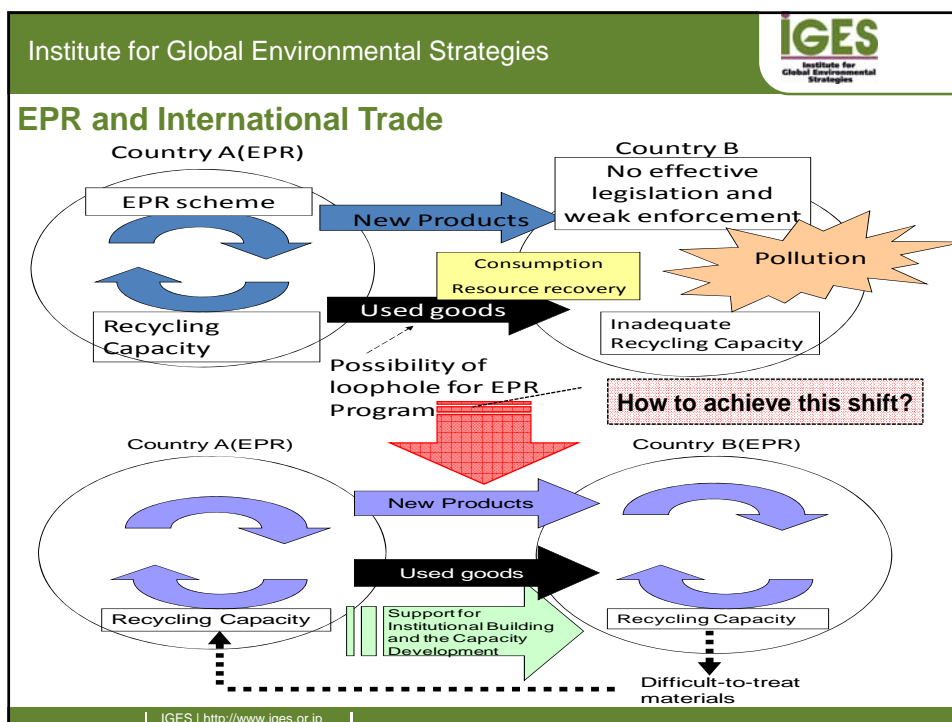
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Table of contents of the EPR report

1. **Introduction (IGES)**
2. **Current Situation of Introduction of EPR Policy in Asia**
 - ① Analysis of the situation in China (Beijing Univ.), Thailand (TEI), India (IRG Systems South Asia) by national experts.
 - ② Comparative analysis of EPR implementation in Japan, Korea, and Taiwan.(NIES and IDE-JETRO)
3. **EPR Policy and International Resource Circulation**
 - ① Analysis of impact of internationalization of waste and recycling-related issues on domestic recycling system (IGES)
 - ② Trade of secondhand goods (IGES)
 - ③ International recycling system by industrial sector (International Univ. and Fuji Xerox)
4. **Emerging Trend of EPR Principle**
 - ① The emerging need for sharing environmental product information (IGES)
 - ② Resource Efficiency, Integrated Product Policy, EPR: EU Experiences (UNEP/Wuppertal CSCP)
5. **Conclusion (IGES)**

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Institution, infrastructure, and information

For implementation of EPR, the legislation should be supported by physical and organizational structure (including market) for collection, transportation, and recycling of used products. Otherwise, it is difficult to establish formal sector which can be driven by financial and informative incentive from EPR policy.

FINANCIAL RESPONSIBILITY Institution
Legal or procedural regime of rule and enforcement on waste management and recycling

Information
Delivery of data/meaning intended to regulate actor's behavior

Actor

Incentive

Formal sector

Informal sector

PHYSICAL RESPONSIBILITY Infrastructure
Physical and organizational structure for collection, transportation, and recycling of used products

Market

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China, Thailand and India

- In the OECD context, up-stream environmental management is a pre-condition for EPR.. However, in some developing countries, EPR is discussed as a scheme to promote voluntary environmental management(i.e.: CSR from environmental perspective).
- EPR policy supposes formal collection mechanism for used products. However, the infrastructure of non-OECD is informal. Establishment of competitive formal collection mechanism/collaboration with informal collection mechanism is inevitable.
- EPR does not contribute to prevention of pollution from recycling. EPR needs many supporting mechanisms based on proper waste management legislation and systems.
- “Large second hand goods market makes it difficult to identify “producers””.

China

- Introduction of EPR principle in Circular Economy (CE) Law (Jan. 2009)
- Several recycling-related legislation
- Pilot projects on WEEE collection and recycling
- Traditional collection scheme for EEE (partially informal)
- Collector shall pay the price for WEEE.
- Strong secondhand market
- Informal resource recovery

Thailand

- Several strategic plan and draft law on WEEE
- Pilot projects on product take-back
- Several examples of environmental CSR by major industries
- Several industrial infra. Useful for resource recovery

India

- Authorized Treatment Facilities
- No formal collection/transportation scheme for WEEE
- WEEE is emitted mainly from business facilities
- Informal sector is competitive and can put higher price for recyclables
- For waste batteries, ELV, and PET, relatively formalized

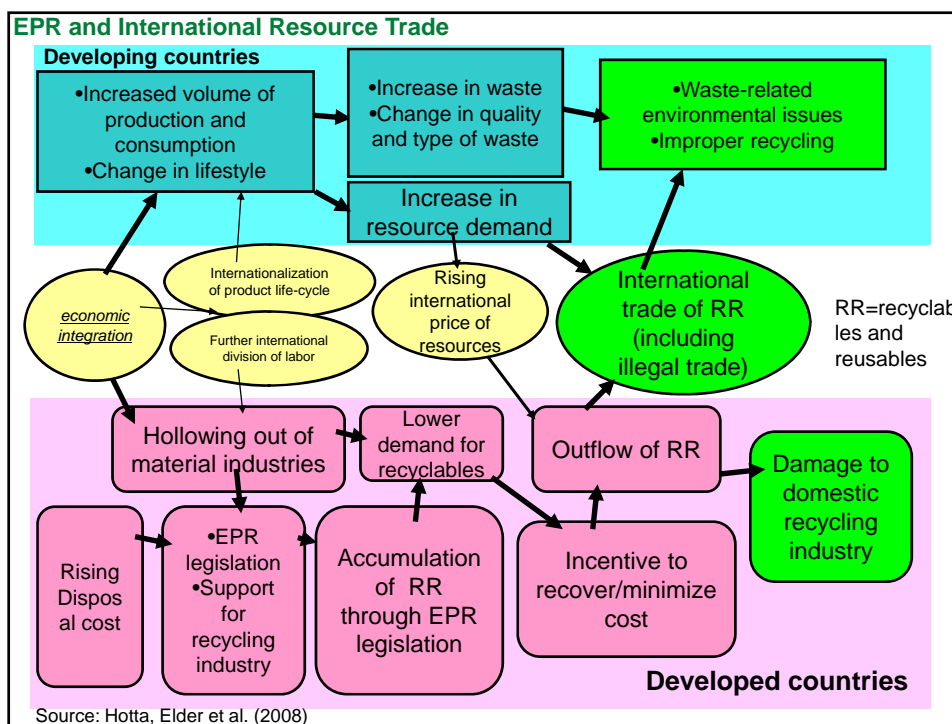
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Japan, Taiwan, Korea (NIES and IDE-JETRO)

1. Three countries have constructed their respective recycling structure on the basis of EPR, but the details of each system differ. Japan: To minimize landfill. Korea and Taiwan: To formalize existing deposit refund principle.
2. Each system has its own weak points. It is significant to decide who will play the central role in collection and recycling.
3. In the three countries, EPR systems enable to implement economic responsibility. But the implementation of physical responsibility differs among countries.
4. Even if similar EPR systems are introduced, the effects and results differs based on each country's legislation background and understanding of issues.

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EPR CONCEPT (IGES)

- ◆ The EPR principle identifies that producer's ownership of their product is consist of various elements of responsibility: financial, physical, and informative responsibility and liability.
- ◆ The provision of information is identified as a fundamental element of producer responsibility in the EPR principle, but it has seldom been required or enforced in most countries.
- ◆ However, the hazardousness and high resource value of WEEE makes the provision of information highly desirable, especially at the end-of-life (EOL) stages.
- ◆ The chapter recommends additional measures to make sure the producer's informative responsibility needed for safe and efficient EOL treatment of products.

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International Policy Harmonization: Lessons from EU experience

by Greg Tyson

	German Packing Ordinance and EU Packaging Directive	WEEE Directive of EU
Effect of EPR policy	EPR can be effective in stimulating new technology and design change, but not resulted in reduction of consumption	More complex products with longer life-spans much more difficult to be effective
Trade and EPR policy	Markets can be significantly affected by trade in recyclables - particularly where funding schemes differ substantially	Treatment standards for exports - how to assure sound management?
Harmonization among EU	Simple products comparatively uncomplicated - short lifespans, established recycling technology	Cross border reuse trade can pose financing challenges - who takes responsibility for final end of life?

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Conclusion 1

1. For the development of sound management systems for E-waste in developing Asia, application of EPR mechanism in the wider sense is desirable. But, this requires comprehensive capacity development in terms of institution, infrastructure, and information.
2. Some kind of measures, other than EPR-based recycling policy, are necessary to prevent loopholes. Also, some additional measures are necessary to prevent pollution from improper recycling.

Conclusion 2

3. One measure to supplement EPR could be a transfer of recycling fee of exporting countries to contribution to institutional and technical capacity development for proper recycling in developing Asia.
4. In addition to institutional and technical capacity development for proper recycling in developing Asia, countries may consider introducing trade rules for secondhand goods to gain positive benefits of reuse while preventing negative effects of inefficiency posed by near end of life products.

Contact

- The report is planned to be published in August/September 2009 and will be available from IGES website:

<http://www.iges.or.jp/en/wmr/report.html>

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