

Welsh Retail Consortium

Board Meeting

2 February 2017

**KPMG office, 3 Assembly Square,
Cardiff Bay**



Llywodraeth Cymru
Welsh Government

www.cymru.gov.uk

Moving Wales towards a circular economy and one planet resource use, and a litter free Wales: Key next steps

Dr Andy Rees

Head of Waste Strategy

Waste & Resource Efficiency Division,

Department for Environment and Sustainable

Development

Welsh Government

My focus today

- Environment (Wales) Act 2015 –
Part 4 - Collection and disposal of waste
- Extended Producer Responsibility
- Brexit / ‘European transition’

The strategic challenges/ threats/problems

Financial



Social



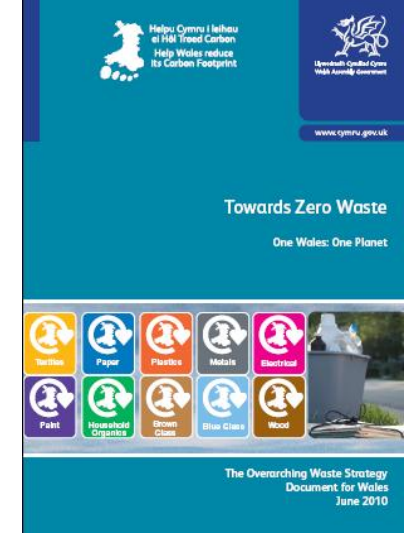
Environmental



Resource constraints



Wales waste strategy -Towards Zero Waste (2010): key milestones to the goal of one planet resource use by 2050



2025: Towards Zero Waste

Significant waste reduction (including reuse) (27% reduction)

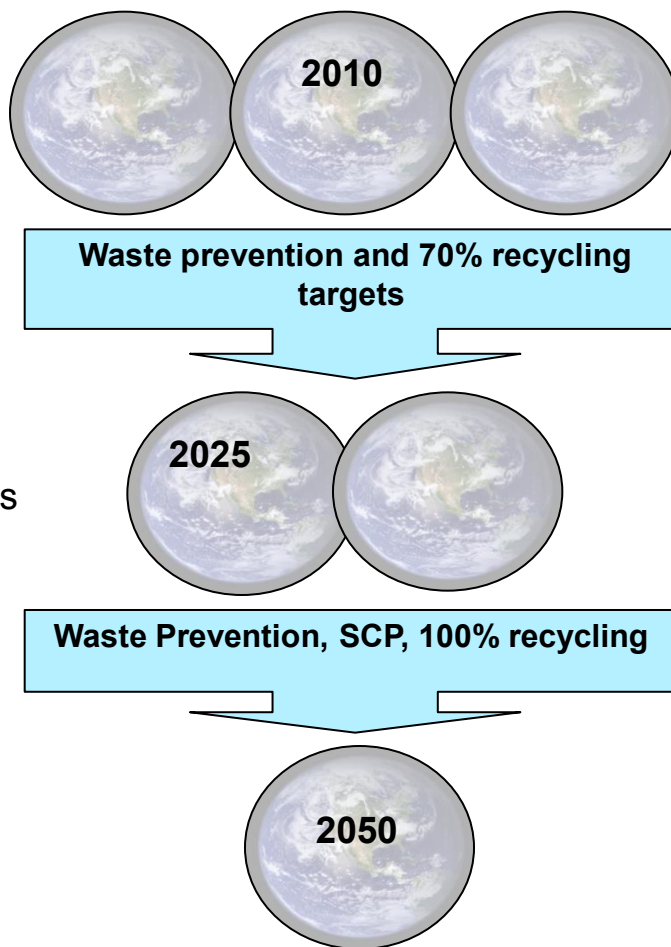
Recycling rate of at least **70%**

AD food waste priority

'Closed loop recycling' systems (high quality, separate collection)

Residual waste to high efficiency EfW

As close to **zero** landfill as possible



2050: Achieving Zero Waste

Reduce our share of Wales' ecological footprint to 'one Wales: one planet' levels by 2050 (**65%** reduction of waste)

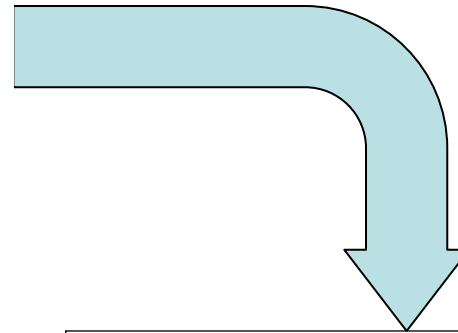
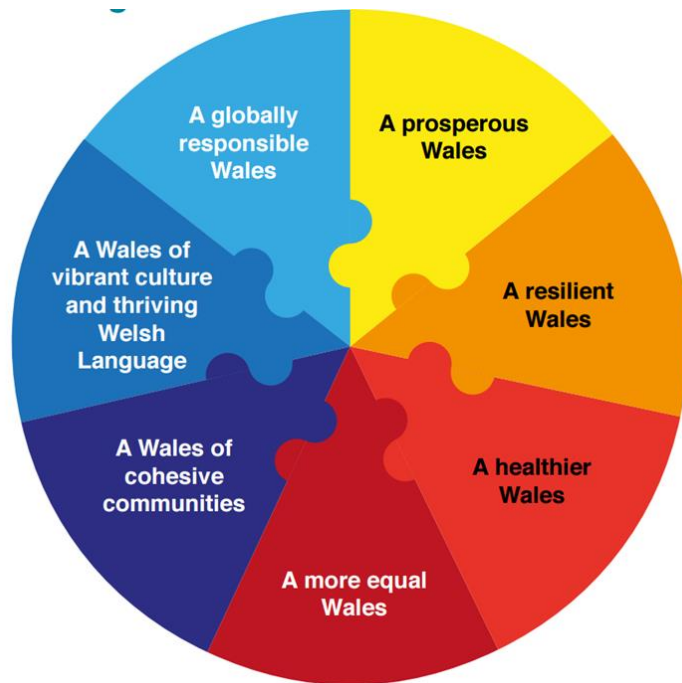
Produce no residual waste through SCP - any waste that is produced is re-used/ recycled (at **100%**).

Wales waste strategy – the regulatory approach

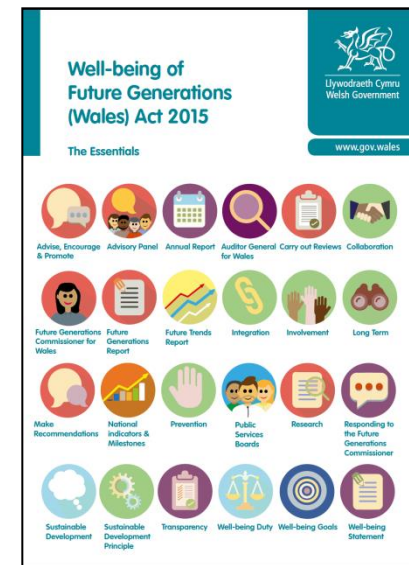
- Landfill Allowances Scheme – LAS (Wales) Regulations 2004
- Statutory Local Authority recycling targets under the Waste (Wales) Measure [Act] 2010 (not s2(2) ECA)
- Statutory SD duty - Well-Being of Future Generations (Wales) Act 2015 (not s2(2) ECA)
- Environment (Wales) Act 2016 (not s2(2) ECA)

Well-being of Future Generations (Wales) Act 2015

4. The well-being goals



A prosperous Wales. An innovative, productive and **low carbon society** which recognises the **limits of the global environment** and therefore **uses resources efficiently** and proportionately (including **acting on climate change**); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.



Environment (Wales) Act 2016



The key parts of the Act related to a circular economy are:

- Part 1: Sustainable management of natural resources – enables Wales' resources to be managed in a more proactive, sustainable and joined-up way.
- Part 2: Climate change – provides the Welsh Ministers with powers to put in place statutory emission reduction targets, including at least an 80% reduction in emissions by 2050 and carbon budgeting to support their delivery.
- Part 4: **Collection and disposal of waste** – The Welsh Ministers can require:
 - All businesses and public sector bodies to keep recyclable materials separate at source (including food)
 - Recyclable materials to be collected separately
 - A ban on recyclable wastes to EfW
 - A ban on the disposal of food waste to sewer (not including from households)

A ban on recyclable wastes to landfill – powers to bring in regulations already exist under the Waste (Wales) Measure 2010

Environment (Wales) Act 2016 – Part 4 – Collection and Disposal of waste: Rationale



Segregation by businesses and other waste producers such as the public sector ensures that clean, uncontaminated recyclable materials are separated before moving onto the next stage in the process. This will command higher prices in the recycling markets, and businesses that separate their wastes may find that they can reduce their costs of waste collection and disposal.

Separate collection ensures that a full separate collection service for segregated recyclable materials is available to those that produce waste. This will help to improve the quality of materials available for recycling and make sure that materials which could have been recycled are not wasted.

Energy from Waste bans ensures that valuable recyclable materials and resources are not burnt. This protects the environment by ensuring that only residual waste streams are disposed of in landfill or incinerated.

A ban on the disposal of food waste to sewer from non-domestic premises ensures that increased amounts of food waste are available for beneficial treatment and use rather than disposal. The waste will be used as a vital source of renewable energy and high quality fertiliser. Other benefits are likely to include the reduction of the risk of blockages, sewer flooding, environmental pollution, odours and rodent infestations.

Environment (Wales) Act 2016 – Part 4 – ‘Separation’ – key powers

65 Requirements relating to separate collection etc. of waste

In the [Environmental Protection Act 1990 \(c. 43\)](#), after section 45A insert—

“45AAWales: separate collection etc. of waste

(4) An occupier of premises in Wales who presents controlled waste for collection (whether by a waste collection authority or by any other person) must do so in accordance with any applicable separation requirements.

(6) A separation requirement is a requirement to take steps specified in regulations made by the Welsh Ministers for the purpose of ensuring or maintaining the separation of one or more types of waste from other types of waste or from other substances or articles.

(7) A separation requirement is applicable in the circumstances specified in relation to that requirement in regulations made by the Welsh Ministers.

(8) A person commits an offence if the person fails without reasonable excuse to comply with subsection (2) or (4).

(9) A person who commits an offence under subsection (8) is liable on summary conviction, or on conviction on indictment, to a fine.”

Extended Producer Responsibility (EPR)

Industrial and Commercial Sector Plan, published in December 2013

3.3.2 Overarching Objectives

*1. To ensure that the products use fewer resources (reducing especially those that are non-renewable), are more durable and/or have an extended life, are more reusable and/or refurbishable/upgradeable and that opportunities are taken to deploy the products more efficiently through leasing and/or “collaborative consumption”. Products should also generate less waste at end of life, be more recyclable, and have a higher recycled content. **The producer should take more extended responsibility for the product’s management at end of life, including in respect of the costs of end of life management. Producers will also be expected to play a role in promoting behavioural change to customers/consumers.***

Industrial and Commercial Sector Plan, published in December 2013

Timescale	Key Objectives and Supporting Actions
	Continued actions to reduce reliance on landfill.
Medium term – 2015 until 2025	Government: To help support the delivery of the waste prevention, preparing for reuse, recycling, composting and landfill targets up to 2025 through: - Introduction of new Measures and Regulations to further secure the delivery of the sector plan and TZW. - Support for procurement of residual waste treatment. - Support for the infrastructure for collection for recycling. - Securing further action from retailers, including voluntary extended producer responsibility to achieve waste reduction, increased recycling and greater recycle content of products and packaging. - Funding the Waste Awareness Wales campaign to support Local Authority and National campaigns. Others: - Extended producer responsibility action by retailers to reduce the amount of waste generated by the products and packaging that they sell to consumers, to increase the recyclability of products and packaging, and increase recycled content. - Stimulation of market for AD digestate. - Social economy sector to continue to provide added social return on investment.
Long term 2025 until 2050	Government: To help support the delivery by 2050 of the One Planet levels of waste and zero waste (100 per cent recycling) goals of Towards Zero Waste, Government may need to: - Apply extended producer responsibility instruments to manufacturers and retailers. - Apply instruments to ensure that all packaging and products are eco-designed to achieve One Planet levels of consumption – with the use of raw materials and end of life waste also meeting One Planet goals. Others: - Ensure the products and packaging conforms to One Planet levels and requirements.
Ongoing	Government: - Assess suitability of current legislation such as packaging essential requirements. Others: - Ensure continued compliance with legislation. - Ensure continued regulation of legislation. - Continue take up of environmental management systems.

Desired outcomes that could potentially be delivered through EPR (initial thoughts)

Need a solution that:

1. Ensures that producers bear 100% of the net cost of the management of the products and packaging they put onto the market. This should internalise the end-of-life costs into a product's price, thereby creating an incentive for producers to take into account environmental aspects of the design of their products.
2. Increases the amount of waste reduction, reuse and recycling, to the maximum practicable extent for all products & packaging as long as this delivers the best overall environmental outcome, taking into account life cycle thinking.
3. Increases the recycled content of each product and its packaging, as long as this delivers the best overall environmental outcome, taking into account life cycle thinking.
4. Ensures an innovative approach to each and every product / item of packaging.
5. Ensures that products and packaging that can't be reused or recycled bear a higher proportion of the cost.
6. Tackles effectively the litter arising from the product and/or its packaging.
7. Engages the whole supply chain.

For possible consideration – EPR – “full costs”

True EPR means producers taking direct responsibility for the full net cost of the collection, sorting, recycling and other treatment of separately collected waste derived from the products and packaging they put onto the market. Full costs theoretically also include:

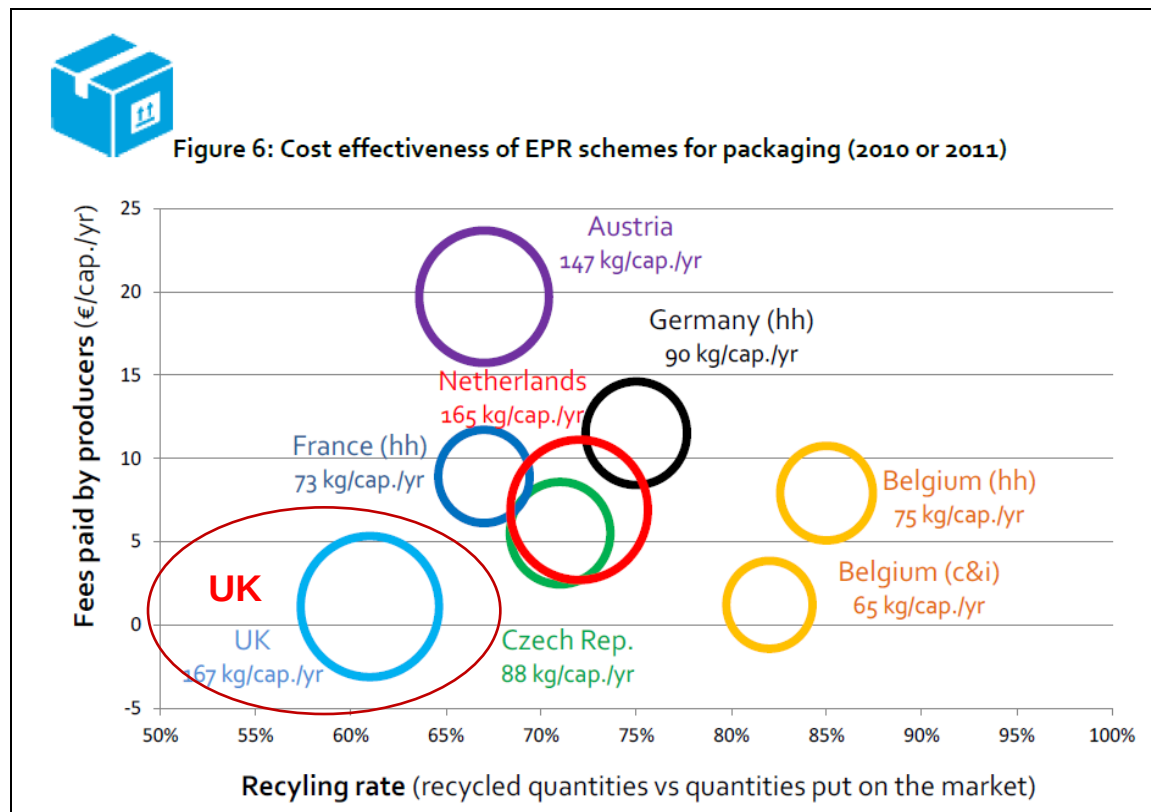
- Collection, transport and treatment costs for non-separately collected waste (e.g. waste collected together with mixed municipal waste)
- Costs for public information and awareness raising to ensure participation of consumers within the scheme (i.e. through separate collection)
- Costs related to waste prevention (including reuse) actions
- Costs for litter prevention and management
- Costs related to the enforcement and surveillance of the EPR system (including, auditing, measures against free riders, etc.).



Potential products that could be considered for an EPR approach (non exhaustive)

- Disposable items – e.g. plastic cutlery – to promote waste prevention and reuse
- Drinks bottles (perhaps just plastic) – to pay for their recycling and litter prevention and clean up
- All packaging – to pay for their recycling and litter prevention and clean up
- Single use drinks cups – to promote reuse, recycling and litter clean ups
- Cigarettes – to fund anti-littering messages, recycling bins for cigarettes butts, clean ups
- Chewing gum – ditto
- Agricultural plastic film – to fund recycling
- Mattresses – to fund recycling infrastructure
- Carpets – to fund recycling infrastructure
- Furniture – to fund repair and reuse
- Tyres – to fund recycling infrastructure
- Small WEEE – to fund reuse and recycling infrastructure
- etc

Case study – Producer responsibility for packaging in the UK – are “full costs” borne by the obligated producer?



Source of Figure 6

- “Fees paid by producers range from **1.1 EUR/cap. (UK, 2011)** to 19.7 EUR/cap./yr (Austria, 2012).
- In the UK, it is estimated that the fee covers only 10% of the total cost of the system**, whereas in most other schemes, 100% of net costs are covered (80 % in France).”

Limitations of the present producer responsibility system for packaging in the UK

The present packaging producer responsibility system has the following limitations:

1. Free riders - no incentive to make individual packaging recyclable or to have a high recycled content.
2. Innovation not sufficiently incentivised.
3. No credit given e.g. for reuse or high recycled content.
4. Producers only pay 10% of the total net cost.

Developing an Extended Producer Responsibility scheme – potential key principles



1. Clarification of the definition and objectives of EPR.
2. Shared responsibilities.
3. Full net cost coverage.
4. True end-of-life costs.
5. Fair competition.
6. Transparency reporting harmonisation.
7. Monitoring and surveillance.

How will leaving the EU affect the development of a more circular economy in Wales? Some initial thoughts....

- Wales does sustainable waste management/circular economy because it's the right thing to do, not because the EU tells us to do it.
- The Welsh Government and Welsh public bodies have a statutory duty to carry out sustainable development – plus there are the UN SD goals.
- Wales has already set waste prevention and recycling targets greater than those proposed in the EU Circular Economy Package.
- Wales has strong policies on reducing carbon emissions and on natural resource management.
- Waste is a fully devolved function. There is EU waste framework policy and legislation, and there is waste policy and legislation separately for Wales, England, Scotland and Northern Ireland. There is no provision (at the moment) for a UK waste framework policy or UK legislation (unless agreed by the administrations).

All comments / thoughts welcomed

Andy.rees@wales.gsi.gov.uk



Helpu Cymru i leihau
ei Hôl Troed Carbon

Help Wales reduce
its Carbon Footprint



Llywodraeth Cymru
Welsh Government

www.cymru.gov.uk



reduce arbed
reuse ailddefnyddio
recycle ailgylchu