

From: [REDACTED]
Sent: 12 November 2020 16:26
To: wastecomments
Subject: Submission to deposit return consultation
Attachments: Reloop submission to Ireland consultation - November 2020.docx

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Please find attached Reloop's submission to your consultation. Do contact us if you have any questions.

With best wishes



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Reloop Platform

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Introduction

Reloop is an international non-profit organization that brings together industry, government and NGOs who share a vision of a thriving global circular economy - a system where resources are kept in continuous use and waste and pollution are eliminated. Our broad network seeks to bring about positive change at all levels of resource and waste policy.

We use our collaborative and evidence-based approach to inspire and inform national policy makers, encouraging them to build policy that:

- follows the waste hierarchy, with waste reduction the priority, followed by reuse, recycling, and then responsible disposal
- encourages best practice and supports innovation
- uses economic instruments when necessary where a charge, deposit or tax is placed on a product or packaging to change behavior
- promotes continuous improvement

To achieve lasting change, we focus on five interrelated areas which will transform the circular economy:

- **Closing the Loop:** Products and packaging must include as much recycled content as possible, with the minimum amount being set in legislation
- **Reuse Revolution:** There must be a significant shift from single-use products to reusable packaging, both for businesses and consumers
- **Meaningful Measurement:** All products and packaging must be traceable from their production to end of life, using transparent data systems and methodologies, alongside comprehensive reporting requirements
- **Money Back:** Economic incentives should be placed on packaging where they are proven to create high returns into a circular system, such as deposit systems for beverage containers
- **Collect more, Sort more:** Strategic investment into improved collection and sorting systems should be encouraged so that higher quantities of good quality materials can be secured

Consultation questions

The Report recommends a centralised, operational model for Ireland. Do you agree with this recommendation?

Yes, we would recommend a centralised model, as experience from other deposit systems shows that this model will be the easiest to design and manage, as well as offering cost efficiencies and avoiding duplication in terms of logistics and other operational functions.

What role should waste collectors play in the operation of a DRS?

Whilst a successful DRS will only result in a relatively low number of containers not being directly collected via the system, waste collectors will be involved in capturing these and it is critical to get the approach for collecting these remaining containers right.

The best way is to make sure they are returned in the same way that the system accepts and counts all other returns – ie. by unit.

The containers that are collected by a municipality via street sweeping or local waste collections (household, business etc) and sent to a waste sorting facility should therefore be picked off unit by unit at the MRF, so that they can be properly counted and the material returned to the DRS.

Even though the material quality of these containers would be lower, due to their contamination by other waste streams, it should still be allowed back into the DRS and, as would be the case with any type of manual returns, the bottles and cans sorted at the MRF should be bagged, tagged and sent to the DRS counting centre.

The redeemable deposits attached to the containers should be returned to the MRF.

The local council who collected the containers will also need reimbursing for their handling of the containers. They can negotiate a share of the redeemed deposits as part of their contract with the MRF.

It's also possible for larger MRFs to become part of the DRS's logistics by being added to the high-volume returns list – in essence the MRF is treated like a retailer.

The approach to avoid is for the MRF to make an estimation of how many containers are in each bale of material they produce. The DRS doesn't accept baled materials so this shouldn't be a valid way of accounting for 'returned' containers.

Containers that are counted in the DRS via an 'estimate per bale' approach are then reprocessed outside of the system, so the economics of the system are undermined. The DRS relies on revenue from the highest possible volume of material to keep the producer fees low, so it's imperative to get the materials back to the system operator.

California took the 'estimate by bale' approach and it was very problematic. It was simple for processors to cheat and over-claim how many containers were in each bale, so the system had to fund ongoing third-party bale composition audits to both ascertain where the cheating was happening and to act as a deterrent to the cheating in the first place.

Overall, taking the 'estimate by bale' approach is very expensive for the system to police, it robs the system of material and invalidates the transparency of the DRS data. You can't have an effective system designed around 'per unit' transparency and then have part of that system estimated 'per bale'.

The DRS study proposes a deposit per container of €0.20. Do you think this is appropriate? If not should it be higher or lower or should different deposit rates apply depending on container size?

Yes, a deposit of 20 euro cents will be sufficient to achieve the behaviour changed needed by the consumer.

Different deposit rates can work and are often recommended by certain material types who want to prevent a switch from one material to another – for example, the aluminium industry promotes a

variable deposit as, understandably from its perspective, it wants to reduce the risk of consumers switching from aluminium multipacks to larger volume plastic bottles.

However, it is critical that any variation in deposit only occurs *above* the minimum deposit rate. So in this case the minimum deposit would be 20 euro cents and variable deposits could be applied above that figure – for example, with a larger plastic bottle bearing a 30 euro cents deposit.

Consumers need to know about a DRS long before it becomes operational – do you have any suggestions as to how best the introduction of a DRS can be communicated to the public?

A key principle here would be positioning the deposit system positively. There is every reason for the government to be proud of its policy and to clearly make the case that it is good for communities as well as the environment. There are examples of where the introduction of an economic incentive has been positioned in a grudging way – such as how the carrier bag charge was introduced in England – and there is every reason to avoid this approach.

Ongoing communications to consumers about the system should be funded by the deposit system. In addition, the accurate data at the heart of the deposit system should be used to inform anti-littering campaigns. For example, the Norwegian deposit system, run by Infinitum, discovered through analysing its returns data that energy drink cans weren't being returned to the system in high enough numbers. They were then able to develop a specific campaign, targeted at the key demographic that consumes energy drinks, thereby maximising their chances of being successful in influencing behaviour.

What enforcement measures should be considered in parallel with the introduction of a DRS?

There need to be significant penalties paid by the deposit system if the collection targets set by the government aren't met. There will be the temptation for the system operator to run an inefficient system, so that a greater percentage of unredeemed deposits will subsidise the overall system. This results in producers avoiding the principles of extended producer responsibility, reduces the amount of materials available to be reprocessed within a closed loop and leaves many containers still polluting the environment, in turn completing undermining the whole principle of a deposit system.

How should cross-border issues be treated to ensure producers are not at a competitive disadvantage relative to producers in Northern Ireland?

It is likely that Northern Ireland will have its own deposit system within a similar timeframe to Ireland, so the issue of competitive disadvantage shouldn't arise as long as these neighbouring systems are run along similar lines. There could be interesting parallels with the situation that will arise between England and Scotland, and hopefully the producers involved in those schemes, largely being the same as those who will be involved in the system in Ireland, will have an understanding of how best to approach it.

An additional way to counter this risk will be by the use of barcodes. Mandatory labelling is important within any deposit system, with barcoding preventing fraud and deposit symbols providing visual cues to consumers and retailers that their containers are part of the system.

In terms of barcodes, it seems that having a domestic barcode and the DRS symbol is likely to be the most effective and economic approach.

The domestic barcode can only be used in the respective DRS market and containers from outside that market won't be accepted and therefore cannot be redeemed.

An interesting approach to this is taken by Sweden, Norway and Finland, who share their barcode databases. This means that a Norwegian container will be accepted into the Finnish system, even though no deposit would be paid out. This could be a useful model for Ireland and Northern Ireland to consider in terms of the predictable flow of containers across the two nations' borders.

An international barcode, which allows a more 'open' use across multiple countries, tends to make the system more vulnerable to fraud, as it's possible for attempts to be made to redeem containers from outside the DRS market. In that situation, the system operator often places a higher fee onto producers, so that any over-redemption can be financially compensated.

In Lithuania, the SA has kept the fees the same – 0.027 EUR for both domestic and international barcodes - as so far there hasn't been over-redemption of international barcodes. If that situation changes, the fees will be adjusted.

In terms of the deposit symbol, this plays a specific role but it's important to remember that it isn't the symbol's role to influence consumer behaviour – it's the deposit itself that does that.

As an economic incentive, the deposit is far more effective than any labelling system could be. This is why deposit systems, rather than voluntary labelling systems, are the preferred choice when high collection targets are put in place for beverage containers.

The role of the symbol is to facilitate the deposit system, in that it provides a critical visual cue for consumers and retailers which indicates whether a container is part of the system or not.

A consumer finding a discarded container can immediately see that the container is part of the system and, because they then understand that the container is deposit-bearing, they are incentivised to return it.

A retailer can immediately see that the container is deposit-bearing and can then accept it manually and return the deposit more quickly.