

Financial Mechanism of the European Economic Area 2014 – 2021

'PT ENVIRONMENT PROGRAMME'

Discussion session on the deposit system for non-reusable beverage packaging



Framework

An Integrated Deposit System for Non-Reusable Beverage Packaging or Deposit and Refund System (DRS) is an environmental policy tool that aims to control pollution by reducing the amount produced and discarded of polluting products in the environment. It is mainly used to reduce the production of new packages - in particular plastic (PET), metal (cans) or glass used to sell drinks - as well as the number of packages discarded into the environment as waste after being consumed. This system is based on the principle of extended producer responsibility, as producers/packagers are held responsible in this system for the environmental impacts of the products/packaging they place on the market. This system has the advantage that, in addition to controlling the number of packages that is disposed on the landfills, it also increases the recycling rates of materials such as plastic, metal and glass.

The main goal of this questionnaire is to leverage the role of pilot packaging deposit and refund systems so that they have a positive contribution to legislation that has not yet been consolidated into law. Their experience on the functioning of this environmental policy tool can be fundamental for legislation closer to reality and with greater chances of success in practice. Thus, we prepared 10 questions about different aspects of this system, and we hope that this questionnaire will arise the interest of the actors that make up the legislation before it is consolidated and published.

From the debate between the entities that are executing pilot projects in the Environment, Climate Change and Low Carbon Economy Program of the EEA Grants, it was concluded that communication with the consumer must be clear, simple and that it promotes the correct use of the DRS. The challenge is to create an integrated system at the national level that is fair, balanced and, at the same time, promotes the closing of the product cycle (the packaging) without loss of quality, guaranteeing food safety.

Question 1: What are the main differences between a pilot project of deposit and refund of packages and a real Integrated Deposit System for Non-Reusable Beverage Packaging?

Answer: The main difference between a pilot project of deposit and refund of packages and a real deposit and refund system (DRS), is that the first presents itself a very strong component of incentives for those who deposit the packages, while the second case, the consumer fulfills its social duty to recover the cost of purchasing the packaging at its consumption, making its deposit later in order to recover this cost of borrowing the packaging. In other words, a real deposit system for non-reusable beverage packaging made of plastic (PET), glass and aluminum serve for the consumer to be reimbursed for the cost of consuming a certain beverage and to have a loan of that packaging and to fulfill its civic duty to contribute to the recycling of that packaging.

To the pilot projects be established, they need the collaboration and allocation of space from retailers or other points of deposit and collection, but in a true deposit system these spaces must be easily available to everyone so that the system covers the entire territorial space of the country regardless of the collection space. Furthermore, in pilot projects there is no co-responsibility of packers in the system, but in a true DRS packers are obliged to disclose the amount of packaging made available.

Another difference that can be mentioned is that a pilot project for the deposit of packaging have a temporary nature while a true DRS has a definitive nature and is imposed by law. As it is imposed by law, a true DRS has the power to oblige packers and the DRS Management Entity to have concerns about the Eco-Design of packaging.

Question 2: Do you consider that an Integrated Deposit System for Non-Reusable Beverage Packaging is a mean to achieve the targets set for the recycling of plastic (PET), metal and glass packaging?

Answer: Yes. An integrated deposit system for non-reusable beverage packaging increases the recycling rate of materials such as plastic (PET), aluminum and glass, especially the first two. This system is in the opinion of the promoters, better than other beverage packing collection solutions (e.g.: door to door collection or plastic and glass eco-points), which is reflected in higher recycling rates. of these materials.

Reuse¹ is considered to be much more effective because it reduces the number of contaminants and cross-subsidization of materials. It also implies correct communication to consumers

Question 3: Do you consider that the DRS is based on a regime of extended producer responsibility?

Answer: Yes. In a real DRS the producer/packers have a more active and transparent role, and the extended producer responsibility is imposed by law. In fact, based on the principle of extended producer responsibility, it is necessary to identify on the labeling of packages that a certain package belongs to an DRS system. In addition, the producer/packer is responsible for financing the entire deposit and refund system, namely the DRS Management Entity and the consumer packaging deposit.

Question 4: In your opinion, what is the degree of consumer participation in the deposit system for non-reusable beverage packaging and what is the difference in behavior at the beginning and at the end of the project?

Answer: In the overall, the degree of participation of the consumers in Deposit and Refund System has been increasing since the beginning of the projects and has stabilized in the last months. Some projects already surpassed the remarkable milestone of more than 1 million packages collected, which demonstrates the great acceptance of this system by consumers. There are fundamentally two reasons for the success of pilot projects. On the one hand, consumers seem to be quite attracted by the incentives offered by the deposit of packaging. On the other hand, consumers/users show that they prefer the experience of depositing in machines, compared to other collection solutions, such as eco-points.

The accessibility and location of machines proves to be very important for increasing of their use, as well as communicating how they work. The proximity of the machines from the consumer and where the latter like to consume seems to be fundamental.

The use of the collection equipment (Reverse Vending Machines) also proves to be seasonal. This seasonality behavior depends on: (i) the type of material, for example,

¹ We refer to upcycling

glass and plastic are more consumed in the summer; and (ii) the tourist flows, that increase and decrease their use.

Question 5: In you experience, what is the more effective way to reimburse the deposit of packages: cash; shopping discount vouchers; donations or prizes?

Answer: In general, the promoters of pilot packaging deposit systems have little experience with cash and refer that the most effective option is discount vouchers for purchases. As far as cash is concerned, the only pilot project that reimburses the deposit in cash is in the Azores (through RIAC stores - Integrated Citizen Support Network). Regarding discount vouchers, older users/consumers prefer to receive them in paper form while younger users prefer to purchase this voucher in digital format, in any case, this option is one of the best accepted by users/consumers.

The iREC pilot project is one of the most innovative in terms of refunding packaging deposits, offering a 'gamification' system where the more the user/consumer deposits packages, the more points they will earn in their Citypoints 'app' as a console game. These points acquired in the Citypoints app can be exchanged for various prizes (some of them with environmental concerns and oriented towards the circular economy).

Question 6: What are the main precautions to be taken regarding location for the installation of the packaging collection equipments?

Answer: The main precautions we should take in account when choosing their location are: i) accessibility; and ii) visibility. The more "friendly" the location is the bigger the use.

We must involve the retailers and other stakeholders in the decision of where we could install the Reverse Vending Machines as they are more acquainted with the consumer habits and the best places to set up the machines.

Question 7: Regarding the network of return points of the Integrated Packaging Deposit System, which channels should be privileged in your opinion: retail establishments; establishments in the HORECA² sector; or others?

Answer: Due to the experimental nature of the pilot projects of the packaging deposit system, the channel of retail establishments was the privileged one. Among other channels that were used, such as schools, universities, municipal markets, retail establishments stand out for the greater convenience they bring to the consumer. While they go shopping, they got the opportunity to deposit the packages they consumed (*retail to retail*).

The HORECA channel is specific and have more visibility in the real DRS while in the pilot projects the focus is on the final consumer. We must admit that in the future DRS the HORECA channel will have mainly a voluntary nature and the deposit should be manual, for other hand, there will be a greater responsibility of retailers at the collection points. The involvement of all entities responsible for the various links in the value chain will be essential

Question 8: How the DRS funding should be carried out in order to ensure its sustainability?

Answer: The funding of the DRS must be carried out through a financial contribution from the producers/packers to the Management Entity of the DRS. This financial provision makes perfect sense, within the scope of the principle of extended producer responsibility. In addition, this system can be financed by the monetary value of the waste collected and sent for recycling. The biggest challenge will be to ensure the balance between the SIGRE (Integrated Packaging Waste Management System) and the DRS.

Question 9: Which beverage categories should be considered for the application of the Integrated Deposit System for non-reusable packaging?

Answer: The beverage categories to be considered for the application of the Integrated Deposit system for Packaging should include those that are primarily packaged by PET plastic and cans. Glass, despite having its advantages, is a material that is difficult to handle, heavy and dangerous for those who transport it. Preference

² HORECA is the acronym of Hotels, Restaurants, and coffees.

should be given to beverages that are wrapped in plastic and aluminum, such as spring waters, juices, nectars, freshly squeezed, fruit and vegetable mixes, concentrates for dilution, soft drinks (including tea, coffee, and tisanes), energy drinks, isotonic drinks, beer, cider and alcoholic mixes. What matters is to ensure that the PET used has a dedicated flow, in which there is a clear close of the product cycle (the packaging) without loss of quality, guaranteeing food safety.

Question 10: What is the volumetry of packaging that must be eligible for the Integrated Deposit System for non-reusable packaging?

Answer: In the experience of the pilot projects on the deposit system for beverage packaging the most common volumetry is less than and equal to 2 liters. It was mentioned in general that the packages with greater volume are not compatible with equipment that is made available by the promoters of these pilot projects.

In brief:

The communication with the consumer must be clear, simple and should promote the correct use of the DRS.

The challenge is to create an integrated system at national level that is fair, balanced and simultaneously, which promotes the closing of the cycle of the product (packages) without the loss of quality and guaranteeing food safety.

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