WWF's Response to the Alternative Model for Producer Responsibility Scheme on Plastic Beverage Containers (PPRS) Operating on a Market Basis

The key to alleviating the chronic problem of plastic pollution in Hong Kong is to develop holistic policies to facilitate a plastic-smart circular economy. WWF-Hong Kong appreciates the government's proposal of the alternative model of Producer Responsibility Scheme on Plastic Beverage Containers in leading the discussions on feasible schemes for producer responsibilities. WWF's vision is "No Plastic in Nature by 2030", and for this plastic and other non-biodegradable material use should be transitioned to a *circular economy*. Hence, the current development of a policy to enable a circular economy is both timely and vital.

WWF sees the current PPRS proposal as a good pilot opportunity to scale to a more extensive scheme that covers single-use containers of other materials and volume, and urges the government to adopt a "CATCH" principle to foster a circular economy in order to reach "No plastic in nature by 2030".

The "CATCH" principle is as follows:

Circular – **Circular economy**
Recycling plays a crucial role in closing the material loop in a circular economy model. Good recycling practices should have viable channels for local collection of materials that would be fed into the production of items of similar value. Hence, recycling targets should be set not only on the quantity, but also on the *quality* of the materials being put into and generated from the recycling system.

- The scheme operator and the contracted recycler should meet a minimum recycling output quality.
- The output quality and end-use must be disclosed to ensure the Scheme Operators' operation is facilitating a circular economy.
- The government should encourage the Producers and Scheme Operators to achieve the goal of 100% "bottle-to-bottle" by 2030, with an intermediate goal of 70% by 2025.
- Accreditations or other benefits can be given to Suppliers and Scheme Operators who implement good recycling practices in operating the PPRS, preventing vicious competition on cost with low recycling quality.

Adaptive – **Adaptive rebate price**
To facilitate a smooth transition to a plastic smart circular economy, stable input of recyclables is needed to ensure continuous recycling operation. A high recycling rebate price would likely encourage a higher public recovering rate, but has to be balanced with the possibility that a relatively expensive price (compare with virgin materials) would obstruct the suppliers to use recycled materials. We believe the rebate price should start with a relatively low price for a smooth transition, and should be adaptive to the recovery rate. For example, if the recovery rate is low, the rebate price can be raised to encourage a higher public recovering rate.

- The minimum rebate price should start with the raw material cost to avoid expensive recycling costs.
- A schedule should be set to review and adjust the rebate price in a timely manner in order to adapt to the raw material cost of the market.

Transparent – **Transparent, traceable and smart to build public trust**
The success of a good recycling system not only requires the effort of recyclers, but also the in-depth involvement of the public and other stakeholders to participate in recycling. To enhance the credibility of the current recycling system, the quantitative and qualitative requirements must be supported by a transparent and traceable monitoring mechanism, which can facilitate fairness, promote high-quality scheme services, and shift to a circular economy.

- Suppliers, Scheme Operators, and Recyclers should provide information on collection and recycling rates, input and output quantity and quality, the proportion of “bottle-to-bottle” in the system, fees charged to producers, costs incurred and resale revenue, identification of anticompetitive practices and monitoring compliance.
- The government should play an active role to monitor and validate the reported data in a timely manner (i.e., annually), and carry out spot checks to verify the data provided by all parties to prevent fraud and corruption.
- With a smart and intelligent system, all information must be released to the public in order to rebuild trust.

Convenient - **Convenient collection points**
A sufficient return rate is essential to the smooth running of the PPRS system. In order to encourage and boost the return rate of used beverage containers, the collection points should also be located near where users consume the products.

- The return points should be set in large-scale residential estates and transportation spots (e.g. MTR stations) in addition to retail stores operating at a considerable scale, to ensure the mandatory collection rate is met.
- A third party must monitor and verify the return rate at different collection points.

Holistic **– Holistic roadmap**

The EPR scheme must be integrated with the waste management policy, along with other action plans, such as the Biodiversity and Strategy Action Plan and Climate Action Plan. Such a holistic policy can help fulfill action target 7 of the Global Biodiversity Framework. These policies will have maximum impacts and synergies if they are compatible with each other. The scheme should include all packaging materials and/or products within the system's scope in a way that makes it easy to identify eligible products. Moreover, the new recycling infrastructure developed for the first phase of PPRS should also account for the feasibility of replacing current plastic collection facilities. Once the PPRS reaches a stage where all packaging materials are inclusive, the collection point of the PPRS system might be duplicated with the existing brown recycling bins for plastic bottles.

- Suppliers should define a reduction target and replace bottled drinking water with refilling stations to be placed in the community.
- A roadmap to an effective and comprehensive EPR scheme should be laid out to ensure plastic bottles from all sources (both locally produced and imported) and other packaging materials are effectively recycled in the system in order to achieve circularity.
- The government should set a roadmap to pave the way for a streamlined sustainable EPR scheme.