CONAI

Packaging EU EPR Organisations

Operational Responsibility Level

What are the differences?

INTRODUCTION

The European Directive 94/62/EC firstly introduced the *"Shared Responsibility principle"* among operators dealing with the end of life stage of packaging.

The ***"Extended Producer Responsibility"*** (EPR) principle was introduced for the first time by the Directive 2008/98/EC on waste and, in 2018, through the amending Directive 2018/851, it became the main measure used by Member States to ensure that packaging producers bear the financial and / or operational responsibility of packaging, from its design to its final disposal.

Moreover, the Packaging and Packaging Waste Directive revision 2018/852/CE introduced a new obligation for EU Member States, which are now required to establish Starting from 2025, the member States of the European Union will be obliged to establish a specific EPR scheme for packaging by 2025, generally through organisations (financed by the producers and/or users of packaging themselves) that, on behalf of their members, take responsibility for it. These organizations are known as ***Producer Responsibility Organisations (PRO)***.

Within an EPR scheme, each PRO is characterized by a "financial" and/or "operational" responsibility.

- **The PRO's Financial responsibility** is the percentage of packaging's put on market (charged by the environmental contribution) by the PRO's members in relation to the total packaging released at consume at Country level.
- **The PRO's Operational responsibility** is the percentage of packaging's waste which are directly managed by the PRO in relation to his financial responsibility. This parameter describes better the concrete activities of the PRO and its role in the packaging waste management market.

Packaging and packaging waste management systems in Europe therefore developed according to different models which mirror their different roles in their national markets.

Through a study developed by the Italian National Packaging Consortium (CONAI) in collaboration with **Centro Materia Rinnovabile (CMR)**, the **degrees of management, financial and operational activities** carried out in 17 countries by the main EPR Organisations for packaging ("Main PRO") were analysed, with the purpose of assessing their role and performance within their respective national markets in 2018.

MAIN PRO AND FINANCIAL RESPONSIBILITY

The **Main PRO** represents the prevalent organizational model at national level, in particular regarding **the share of financial responsibility** with respect to the country's put on market of packaging **by 2018**. We use the Main PRO's data because there is more detailed information available, which would not be possible to retrieve at country's level.

Some exceptions include countries like Belgium, France and Spain, for which it was chosen to consider the combination between the two most important PROs operating in a coordinated manner as the Main PRO. On the other hand, for Romania it was selected the most significant PRO who publicly report his data, even if with a lower responsibility's share.

TABLE 1: MAIN PRO AND ITS FINANCIAL RESPONSIBILITY PERCENTAGE IN RELATION TO THE COUNTRY'S PACKAGING PUT ON MARKET

Country	Main PRO	Financial responsibility on put on market (%)
Finland	RINKI	100
Italy*	CONAI	99
Netherlands	AFVALFONDS (SAV)	99
Czech Republic	ECO-KOM	92
Belgium	FOST PLUS + VALIPAC	91
Portugal	SPV	86
Austria	ARA	76
Sweden	FTI	76
Luxembourg	VALORLUX	58
France*	CITEO + ADELPHE	39
Spain*	ECOEMBES + ECOVIDRIO	36
Bulgaria	ECOPACK	33
Germany*	DER GRUNE PUNKT	28
Poland*	INTERSEROH	26
Estonia	ETO	21
Slovenia	SLOPAK	15
Romania	ECO-ROM	3

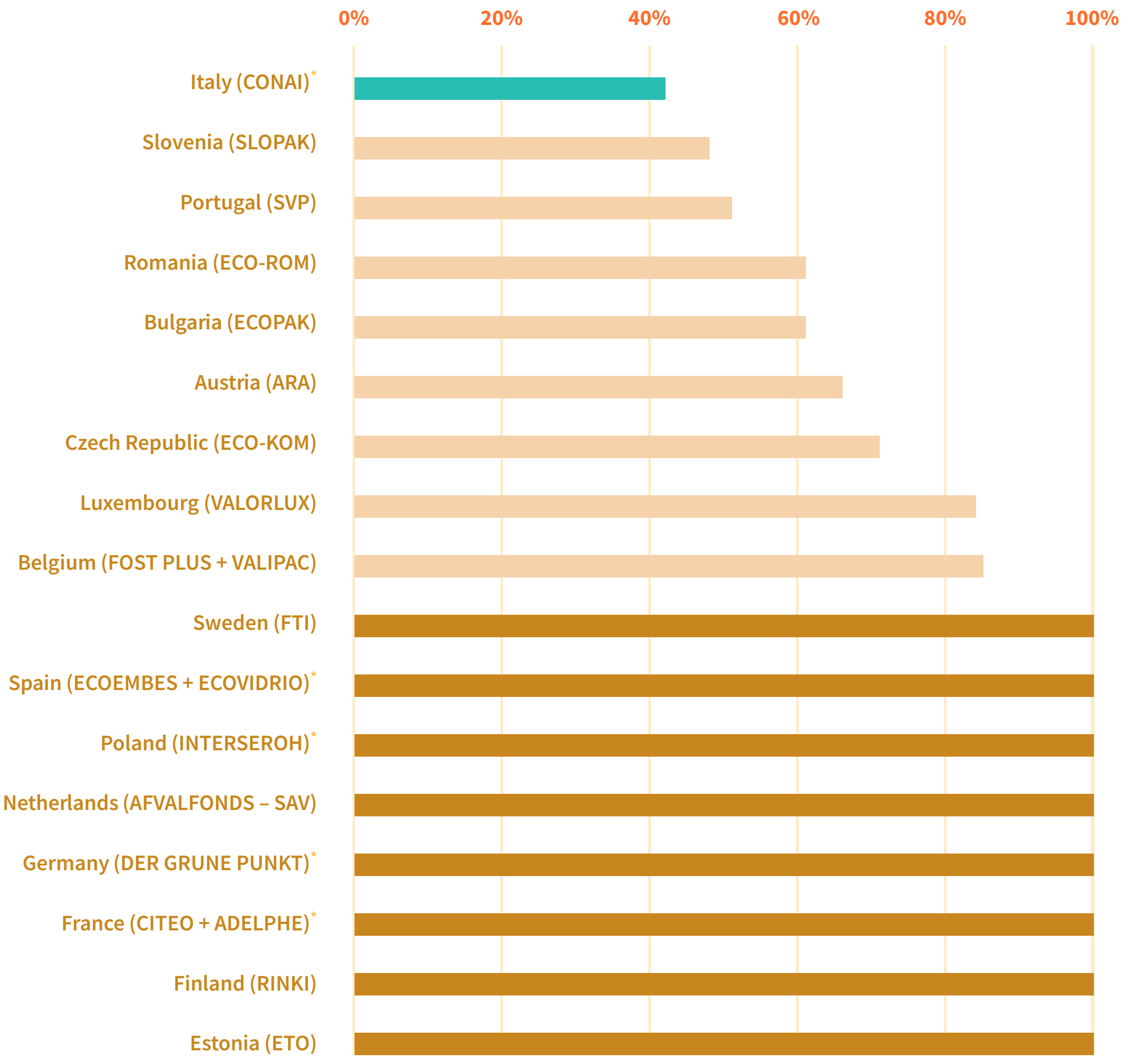
[*] Countries with a population over 20 million inhabitants.

THE OPERATIONAL RESPONSIBILITY, “MARKET SHARE”

The Main PRO’s operational responsibility represents the waste quota directly handled by the PRO and it expresses both the organisation’s performance and the level of “operational coverage” of the Main PRO compared to the national market of packaging recycling, as to say **the market share**.

Some Main PROs’ have the tendency to cover entirely the market’s area in which they have financial responsibility, and to directly manage all the possible waste. Some others, instead, tend to focus their direct waste management in areas which are not self-sufficient from an economic point of view (where costs are higher than revenues), leaving room to the independent market (where revenues could be higher than costs).

CHART 1: MAIN PRO’S MARKET SHARE IN EU, OPERATIONAL RESPONSIBILITY IN PERCENTAGE BY EACH MAIN PROS AT NATIONAL LEVEL



[*] Countries with a population over 20 million inhabitants.

In this framework, the Italian case of **CONAI** becomes relevant, as the company **expressed an operational responsibility of only 42% in 2018** while having a financial responsibility share of 99%.

CONAI's direct management, in fact, is addressed primarily to household packaging, leaving the majority of industrial/commercial flows to the free market, according to a principle of subsidiarity, which concentrates the resources collected from all members towards the most 'difficult' and challenging flows.

Operational responsibility for collection can be carried out in several ways:

a) **Integrated**, through national framework agreements between local authorities and the PRO:

NATIONAL FRAMEWORK AGREEMENT BETWEEN LOCAL AUTHORITIES AND PRO	
France	CITEO + ADELPHE
Italy	CONAI
Netherlands	AFVALFONDS (SAV)
Czech Republic	EKO-KOM
Spain	ECOEMBES + ECOVIDRIO

b) **Mixed**, with PROs' autonomous collections and agreements with Contractor and/or Local Authorities:

MIXED AMONG LOCAL AUTHORITIES, PROS + CONTRACTORS	
Belgium	FOST PLUS + VALIPAC
Estonia	ETO
Finland	RINKI
Luxembourg	VALORLUX
Portugal	SPV
Slovenia	SLOPAK

c) **Autonomous**, through PROs' autonomous collections.

PREVALENCE OF AUTONOMOUS PRO COLLECTIONS	
Austria	ARA
Bulgaria	ECOPACK
Germany	DER GRUNE PUNKT
Poland	INTERSEROH
Romania	ECO-ROM
Sweden	FTI

A strong integration between PROs and local authorities could mean that the PRO is taking over **a role of public interest**, as the Main PRO actively participates in the development of circular economy policies in the territory, facilitating the activities of local authorities in relation to packaging.

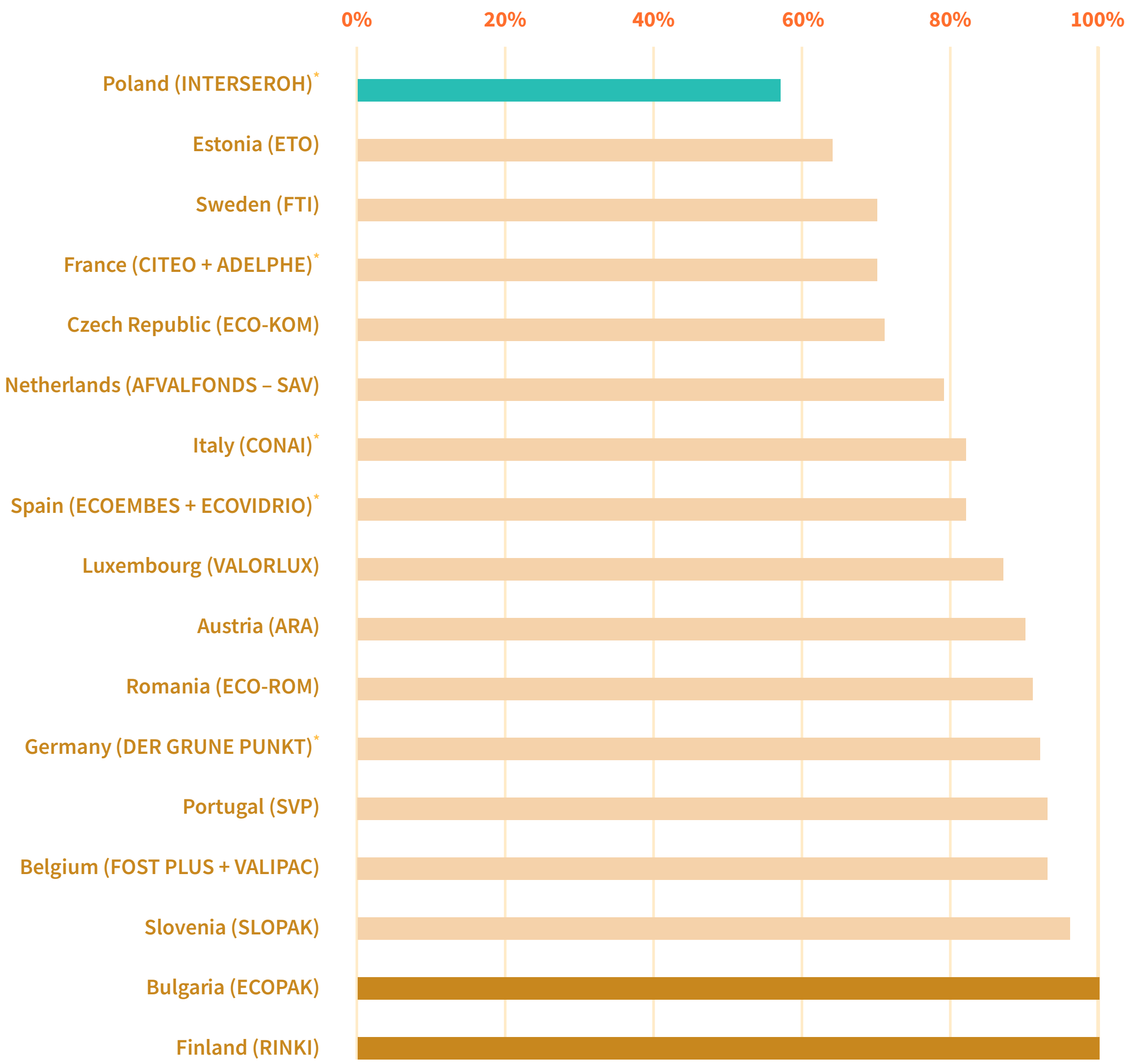
This is the case of **CONAI**, which promoted a **National Framework Agreement with Italian Municipalities** in support to public activities of collection of household packaging waste.

OPERATIONAL RESPONSIBILITY'S EFFECTIVENESS

The study calculated the recycling performances in respect to the Market share for each Main Pro in order to verify the effectiveness of the systems.

The following graph contains the recycling percentages of each country on Market share:

CHART 2: RECYCLING RATE ON MAIN PRO MARKET SHARE IN UE, RECYCLING PERCENTAGE ON OPERATIONAL RESPONSIBILITY



[*] Countries with a population over 20 million inhabitants.

In this context, the recycling percentage expresses the performance indicator of the PRO's management activities and, if considered in relation to the previous statements on the operational responsibility, it contributes to a general quality evaluation of the different organizational models.

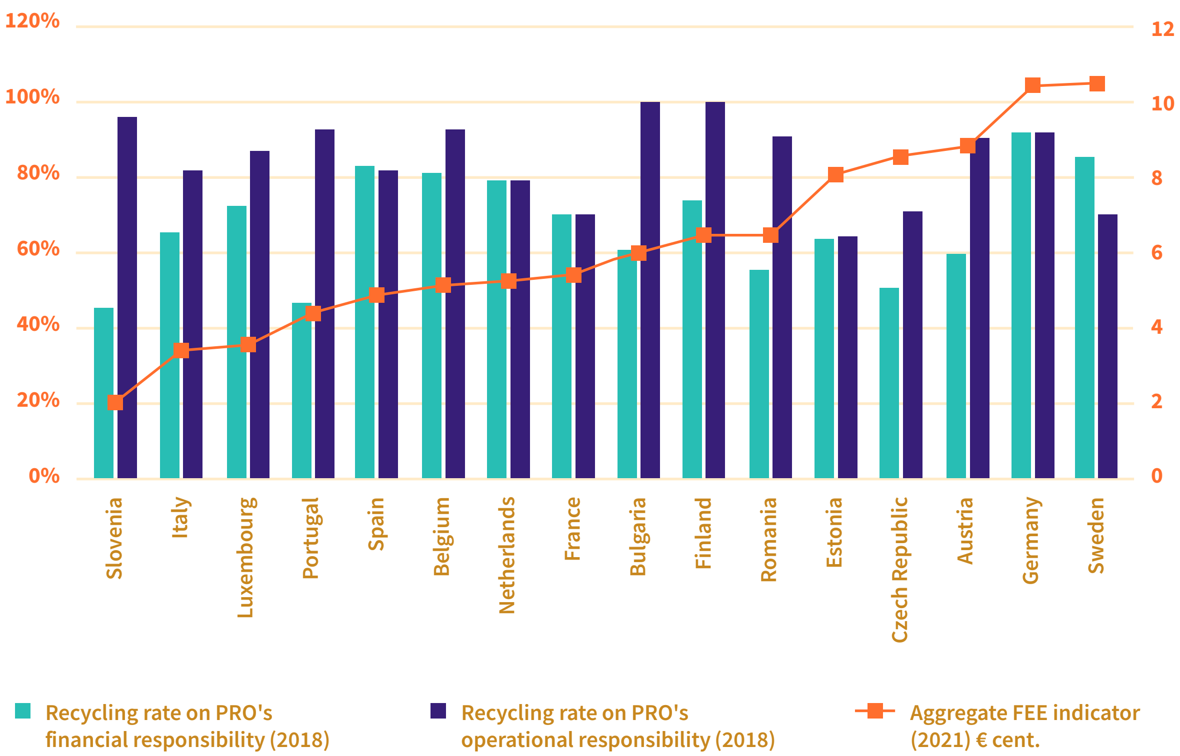
RECYCLING RATE AND PROS' AGGREGATE FEE INDICATOR

The study also developed an aggregate FEE indicator for each Main PRO, summing up the FEE values of four packaging solutions commonly placed on the EU (plastic bottle, aluminium can, cardboard box, glass bottle) in order to measure the ratio between the quantities recycled by the Main PRO (recycling on Market share) and the amount of the FEE charged by the organisation itself.

In some social-economic backgrounds, in order to ensure the achievement of high recycling rates, the higher value of a FEE could be seen as a necessary condition.

However, the chart below shows that, in respect of both financial and operational responsibility, **no linear relation has been found between the increase of FEEs' values and a corresponding increase in recycling rates**. This data confirms that the capacity of different models to be effective actors of the Circular Economy depends on a plurality of factors that must be considered as a whole.

CHART 3: PRO RECYCLING RATE ON FINANCIAL AND OPERATIONAL RESPONSIBILITY (2018) AND AGGREGATED FEE INDICATOR (2021)



CONCLUSIONS

The Italian's operational responsibility, represented **by CONAI**, **has the lowest share** compared to the 17 Countries studied in 2018.

Although **CONAI** expresses a **financial responsibility** with a value of **99%**, its direct management is limited to 42%, as CONAI primarily manages the flow of domestic packaging, leaving the majority of industrial/commercial packaging to the free market, according to the principle of subsidiarity.

Moreover, the **strong integration of Main PROs with local authorities** could be interpreted as a way of assuming **a role of public interest** and actively participating in the development of the circular economy at national level. For this reason, **CONAI** has promoted a **National Framework Agreement with Italian Municipalities**, in support of public activities for the collection of household packaging waste.

Finally, through the ratio analysis between the value of the FEE and the recycling rates, in respect of both financial and operational responsibility, **no linear relation has been found between the increase of FEEs' values and a corresponding increase in recycling rates**.

CONAI (Consorzio Nazionale Imballaggi)

CONAI is a private non-profit consortium in Italy, the measure by which packaging producers and users ensure that they achieve the recycling and recovery target of packaging waste provided for by law.

For more than 20 years, CONAI has served as an effective system for the recovery, recycling and valorisation of steel, aluminium, paper, wood, plastic, bioplastic and glass packaging materials.

Centro Materia Rinnovabile

Centro Materia Rinnovabile, CMR, is a structure built to provide guidelines and concrete solutions to companies who want to improve the exploitation of waste flows produced by their activity, recreating a dialogue between regulatory constraints and economic opportunities, technological innovations and environmental sustainability solutions, material knowledge and energy conversion, experience and innovation.

ANNEX
LIST OF PROS ASSESSED IN THE STUDY

Country	Main Pro	Main Pro's website
Austria	ARA	https://www.ara.at/
Belgium	FOST PLUS+VALIPAC	https://www.fostplus.be/nl https://www.valipac.be/en/
Bulgaria	ECOPACK	https://www.ecopack.bg/bg
Estonia	ETO	https://www.eto.ee/
Finland	RINKI	https://rinkiin.fi/en/for-households/
France	CITEO+ADELPHE	https://www.citeo.com/ https://www.adelphe.fr/
Germany	GRUNE PUNKT	https://www.gruener-punkt.de/de/
Italy	CONAI	https://www.conai.org/
Luxembourg	VALORLUX	https://www.valorlux.lu/en
Netherlands	AFVALFONDS (SAV)	https://www.afvalfondsverpakkingen.nl/
Poland	INTERSEROH	https://www.interseroh.pl/
Portugal	SPV	https://www.pontoverde.pt/
Czech Republic	EKO-COM	https://www.ekokom.cz/
Romania	ECO-ROM	https://ecoromambalaje.ro/
Slovenia	SLOPAK	https://www.slopak.si/
Spain	ECOEMBES+ECOVIDRIO	https://www.ecoembes.com/es https://www.ecovidrio.es/
Sweden	FTI	https://fti.se/en

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