

Performance Audit:

Implementing producer responsibility for packaging waste in Malta

EUROSAI WGEA Waste Management Seminar Tallinn

27 – 28 April 2016

Contents

- Background
- Audit objectives
- Implementation
- Economic instruments
- Regulation and enforcement
- Developments
- Overall conclusions
- Lessons learned

Background

- According to EU directives and national legislation, producers are obliged to shoulder responsibilities for their set waste targets
- Efforts to establish the organisational, legal and infrastructural framework were on going since 2001
- Recycling of packaging waste is critical for Malta due to limited, expensive and negative externalities of landfilling
- In 2006, Malta received a pre-infringement letter regarding unattained EU targets
- Environmental, social and financial costs of producer non-compliance are borne nationally

Audit objectives

This audit sought to evaluate the extent to which Malta was being effective in implementing packaging waste producer responsibility through:

- Management of the implementation process
- Economic instruments used to incentivise producer responsibility
- Regulation and enforcement of producer responsibility

The implementation process

- Although the recycling of packaging waste increased, this still remained significantly below EU targets for 2009
- Between 2005 and 2009 producers' low recycling resulted in the resource loss of about 5.5 per cent of landfill space (54,000 cubic metres)
- The low rates of packaging waste recycled by producers resulted in Government incurring financial costs of over €9 million, which were eventually recovered through the Eco-Contribution system

The role of economic instruments in producer responsibility (1 of 2)

Various difficulties hampered the implementation of producer responsibility for packaging waste:

- Removal of subsidies on landfill was delayed to prevent inflationary backlash and to ensure stakeholder buy-in
- In October 2009 landfill fees were raised from €0.77 to €20, but this is still around €10 per tonne short of landfilling costs
- Producers encountered practical implementation difficulties such as estimating packaging placed on the market, complex regulation, having sufficient capacity to comply and increase in costs to conform
- Protracted discussions between producers and Government stress producers' difficulties to comply with relative regulations

The role of economic instruments in producer responsibility (2 of 2)

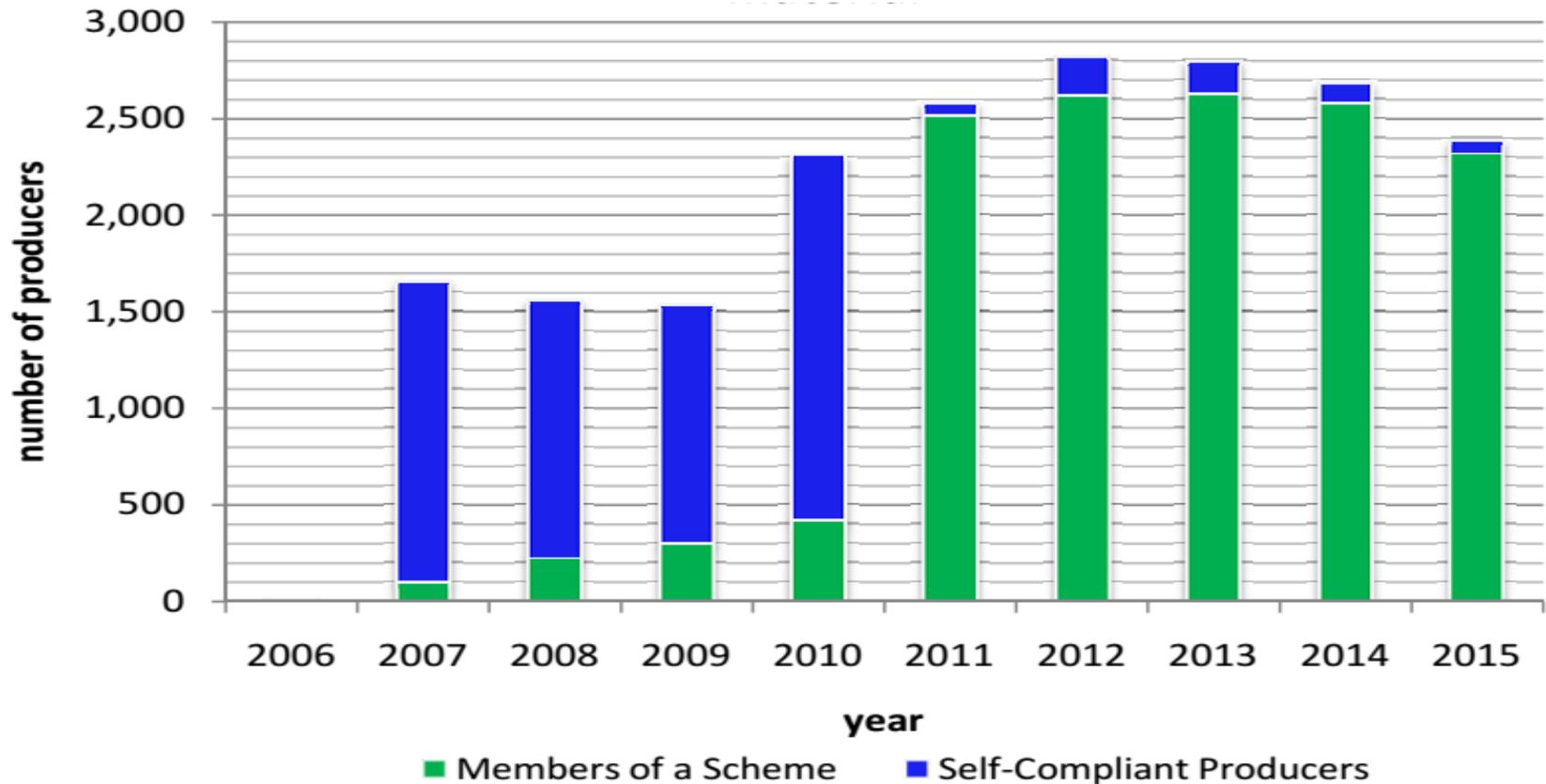
Government sought to incentivise producers to recycle more through the Eco-Contribution system. The incentives entailed exemptions / refunds if recycling targets are attained.

Positive results	Negative results
Substantial income for Government	A double obligation on producers
Significant increase in recycling	A standoff between Government and Industry
60 per cent of total declared packaging waste was recycled	Perplexity in the definition in the Eco-contribution legal framework and the Producers Responsibility Directives
	Incongruity between the recovery targets laid down in the eco-contribution refunds legislation and packaging regulations

The regulation and enforcement role in producer responsibility implementation

- The number of producers registered with MEPA declined from 66 to 49 per cent between 2006 and 2008
- In 2008, only a minority (14.5 per cent) of producers had undertaken packaging waste recycling
- At the time, MEPA had not initiated any legal action against non-compliant producers as:
 - MEPA lacked the human resources needed to regulate
 - Regulator operates an annual reapplication systems which potentially magnify the work load unnecessarily
 - Fragmentation of data did not facilitate regulation and enforcement

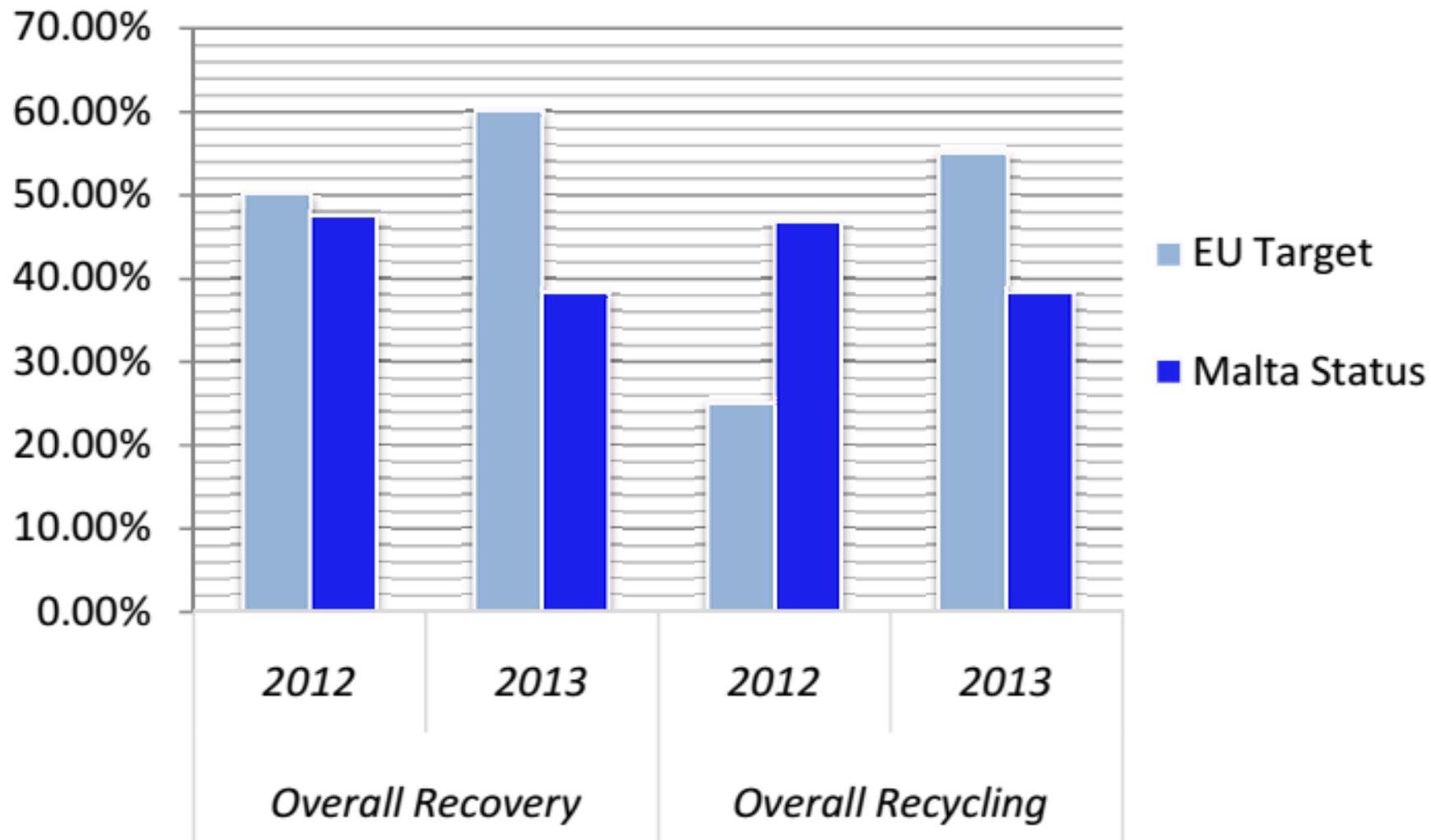
Developments - Registered producers of packaging or packaging material



** Source: National Register of Producers of Packaging or Packaging Material & Annual Reports of Authorised Packaging Waste Recovery Schemes*

Figures for 2014 & 2015 are provisional

Developments - Overall recovery and recycling rates



Overall conclusions

- The implementation of producer responsibility is gathering momentum. However, three main issues of contention remain:
 - Not all producers are shouldering their responsibility
 - A lack of separation of dry recyclables at household level
 - Enforcement constraints precluded higher compliance levels
- Imperfect synchronization between some economic instruments and the legislative framework
- Implementation remains hindered through administrative capacity constraints. The newly established Environmental Resource Authority is to focus more on enforcement
- Stakeholders reached a consensus on the Waste Management Plan for the Maltese Islands 2013 – 2020
- Despite increases in the volumes of recoverables and recyclables, performance remains below EU and national targets

Lessons learned

- Audit timing – significant developments were in progress
- Information availability – limited data availability on a number of aspects influenced audit objectives and scope
- Topic complexity – the legal framework deemed voluminous and complex
- Economic instruments – measuring short-term outcomes of economic instruments proved problematic

Thank you for your attention

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