

Beverage Container Refund Scheme

Promoting Recycling for a more Circular Economy

4 May 2018



Malta's Waste Targets

- 50% recycling of paper, plastic, metal and glass in municipal solid waste by 2020
 - Current performance level – 16%
- New targets
 - 50% by 2025;
 - 55% by 2030 and
 - 60% by 2035



Why do we need a BCRS?

- It is estimated that Malta recycles 14-20% of PET beverage bottles and 5% of aluminium cans (Bureau B&G)
- Recovery rates from households are not as high as could be
- New solutions are needed to address consumption at home as well as away from home
- Part of Malta's transition towards a circular economy
- Crucial in the fight against climate change



Objectives

- The objectives of the scheme are to:
 - Make both producers and consumers responsible for their packaging waste;
 - Create a privately-funded infrastructure for the collection of empty beverages containers;
 - Increase national efforts in reaching recycling targets; and
 - Reduce littering



Work to Date

- Review of existing systems
- Design of system and respective legislation
- Eunomia Research and Consulting commissioned to review the approach and assist in developing the consultation
- December 2017 - MESDC organised informal workshops with representatives of the main bottling companies as well as with the two active producer responsibility schemes for packaging, the Chamber of Commerce and GRTU



The Design

- Resource Recovery and Recycling Council to be the system regulator.
- Council will establish and manage a Beverage Containers Refund Fund to administer the system's funding and financial transfers
- Council will contract a Repository Operator (RO) through a competitive tender for a 10-year period



What can a BCRS contribute towards

- Successful deposit systems in Europe achieve recycling rates of over 85% for their beverage containers
- Systems provide a reliable supply of high-grade recycled material
- Contamination levels are lower than in other recycling collection systems
- Relied upon by beverage companies committed to increasing the recycled content of their containers.



Why Beverage Containers

- More likely to be consumed on the go hence more likely to be littered or thrown away in residual waste
- Tend to be consumed quickly and soon after they are purchased - a significant part of single-use packaging
- More easily cleaned and less likely to contain residue than other types of container, due to the low viscosity of beverages.



Which Beverages?

- Water and flavoured water
- Fruit juices and nectars
- Carbonated soft drinks
- Ciders, beers and other malt beverages
- Other alcoholic beverages with an alcohol level not greater than 10% by volume
- Any other beverage, except for dairy products and alcoholic beverages with an alcohol level of at least 10% by volume



In which Containers?

- Refillables
- One-way glass bottles
- Metal cans
- Plastic bottles



The Design

- MESDC intends to mandate a BCRS under new Circular Economy provisions that will be added on to existing legislation.
- This will legislate for:
 - product and container types to be included;
 - the framework for the relationship between participating stakeholders;
 - the financial management and cash movements; and
 - performance requirements and monitoring arrangements.



Return Infrastructure

- Minimum of 350 RVMs allowing for a coverage of around 1 per 1,200 people
- Smaller retailers may opt in
- Potential additional redemption centres and a repository to serve as a counting centre for HORECA members

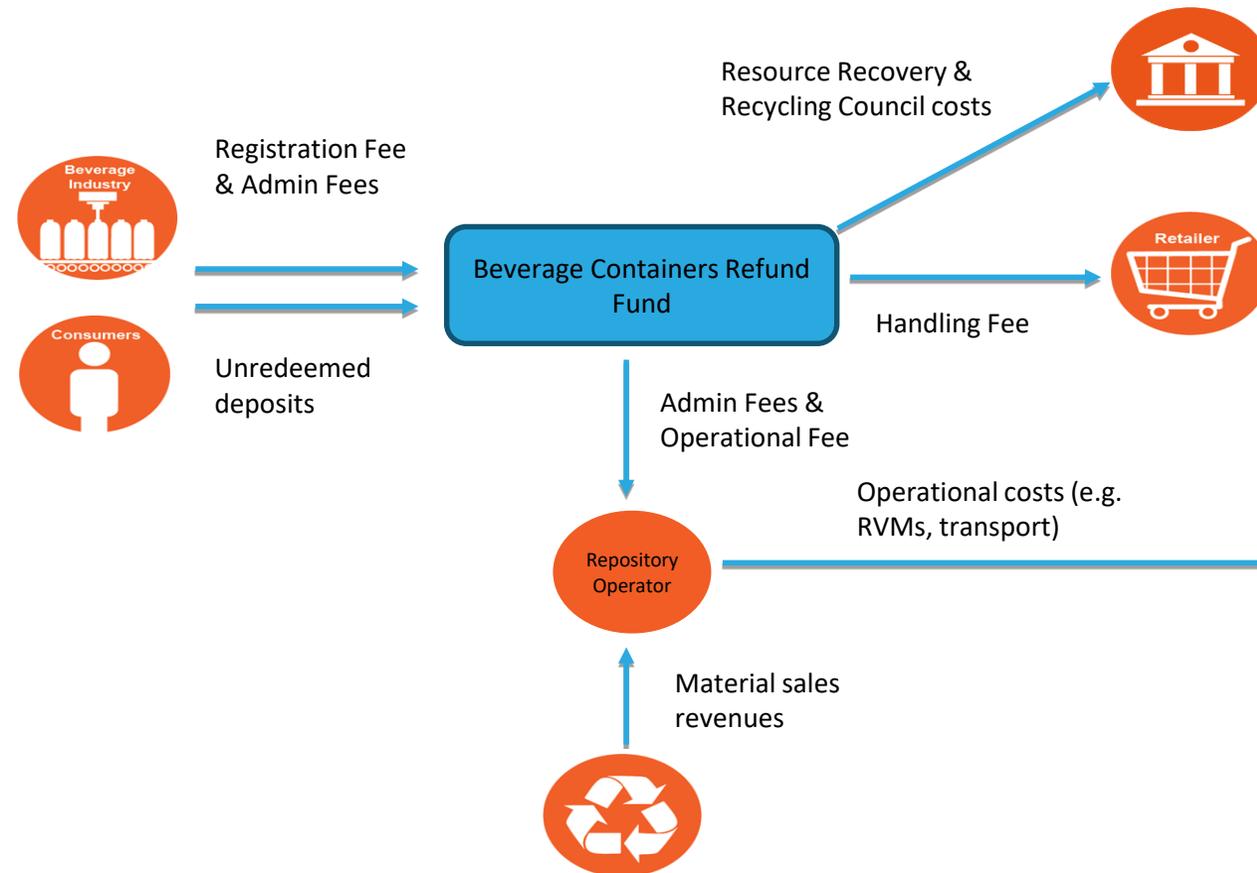


Financials

- Deposit of €0.10 on each container
- RO will reimburse retailers for the deposits they refund, and pay a handling fee of €4.00/1000 containers
- €250 for the one-time registration of producers
- €100 per unique typology of beverage registered (one-time)
- Administration fee of €0.01 per container



Financials



Returned Containers

- RO will own the returned containers
- RO is responsible for collecting the containers from retailers with an RVM at no additional cost and for ensuring they are appropriately processed and recycled
- RO to profit from the sales - an incentive to maximise return volumes supporting the success of the scheme
- RO has option to charge retailers providing a manual service and the HORECA industry for collections



Labelling and Fraud

- Council will provide a deposit refund logo that is to be stamped or affixed to all beverage containers within the scheme.
- Labels will additionally include a barcode that is specific for the Maltese islands to reduce the risk of cross-border fraud
- Barcodes will be scanned to verify they are registered with the Council, and cross-referenced again with the container size, shape and material
- Different logo for refillable bottles



Governance

- Statutory targets requiring that the scheme achieves a minimum redemption rate of:
 - 70% in the first year;
 - 80% in the second year; and
 - 90% every year thereafter
- Criminal offence (fine of €5,000 - €50,000 and/or imprisonment of up to six months) for beverage containers placed on the market without the appropriate deposit
- Individuals failing to comply with the regulations or making a false declaration relating to the BCRS could face a minimum fine of €2,500 and/ or a prison sentence of up to three months.



Implementation

- Competitive tender
- RVMs, central plant and other operational costs will be paid for by the RO.
- Bid based on either:
 - An operational fee that the Council will pay to them out of the Fund, per thousand containers they take back and process; and/or
 - Retaining a percentage of the unredeemed deposits for the first two years.
- Intention is make this an attractive proposition for organisations
- Fund remains viable with a positive balance



Implementation

- Government to provide land for the central sorting/ baling plant
- Government will rent the site to the RO
- RO responsible for setting up the plant and purchasing all the necessary equipment
- June 2018 - Government to launch RFP for the RO
- September 2018 – launch of registration process



Implementation

- December 2018 - announce the successful RO bidder
- 40 weeks to establish the central plant (estimate)
- December 2019 – scheme becomes operational



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