



environmental
services
association

ESA PRESS STATEMENT

ESA OUTLINES ALTERNATIVES TO PRNs

LONDON, 18 October 2016: The Environmental Services Association (ESA), the voice for the UK's resource and waste management industry, has outlined options for the future of the PRN system, as it continues to present its vision for the UK's £11bn waste and resource management industry.

In a new report, produced by specialist waste policy consultancies Perchards and 360 Environmental, ESA looks at the options for the UK's market-based system of tradable recycling certificates.

The report: *"A Discussion of the UK PRN/PERN System for Packaging Waste and Possible Alternatives"*, says developing a new packaging waste regime for the UK would present a unique challenge, and the best way the UK can benefit from European experience is to mix and match individual elements of different systems.

Commenting on the report, ESA executive director Jacob Hayler said:

"We have already outlined our view that extending producer responsibility is a key element in building a world-leading and sustainable UK waste and resource management network.

"The recent Brexit vote demonstrates the world is changing and, as a result, the framework which governs the work we do must change with it.

"We do not know whether or for how long EU Single Market rules will continue to apply to the UK, or whether, if the UK is not bound by Single Market rules, the Government would wish to push recycling targets as high as those in the European proposal currently under discussion.

"A more relaxed approach to targets might imply less need for radical change; but if the Commission's proposed rules on extended producer responsibility (EPR) systems are adopted and apply to the UK, radical change would be inevitable."

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The report assumes that UK recycling targets for packaging waste will increase to some extent, irrespective of the nature of the UK's future relationship with the EU and looks at the pros and cons of four possible options.

Option 1

PRNs would continue to serve as evidence of recycling, but would no longer be the funding mechanism. PRNs/PERNs would be issued to collectors by accredited reprocessors and exporters when qualifying material is delivered to them. Accredited reprocessors and exporters would not sell PRNs/PERNs (or whatever the evidence is called in future) for a market price, but would be paid a small fee to cover their administrative costs. All reprocessors with the necessary operating licences would be automatically accredited. The Agencies would audit all reprocessors. Compliance schemes would contract with collectors of packaging waste for the PRNs they need to meet the targets.

Option 2

As above, but with targets split between packaging waste from household and commercial/industrial sources. This would require schemes to acquire PRNs to cover the total recycling obligation, of which x% would have to be household PRNs.

Option 3

For household packaging waste, compliance schemes would contract directly with local authorities, even where segregated collection is undertaken by a private collector that is appointed by the local authority. Schemes would fund a proportion of the collection cost, with conditions relating to the quality of the collected material.

Option 4

Compliance schemes would take full operational and financial responsibility for the collection of packaging waste from household sources. Schemes would contract with operators to provide a segregated collection service for packaging waste. This would be separate from collection services for non-packaging waste such as residual waste and food waste.

Thus local authorities would no longer have any operational role in the segregated collection of packaging waste from households. This is the arrangement in Germany, Austria, Belgium and Sweden, where compliance schemes organise the collection of packaging waste.

Mr Hayler added:

***“Any changes to the current system would almost certainly involve an increase in producers’ costs. Producers rightly stress that there should be a direct relationship between level of funding of the system and level of control over how it operates. If producers are expected to bear the full cost of the system, they should also be able to design it.*”**

“I hope this report will stimulate debate and encourage all stakeholders to address the urgent issues that need to be resolved in order to create a long-term strategy for our industry.”

A copy of the report can be downloaded from the ESA website (www.esauk.org), and is attached to this release.

ENDS

Notes to editors:

1. The **Environmental Services Association** (ESA) is the trade association representing the UK's resource and waste management industry, which is leading the transformation of how the UK's waste is managed.
2. We work with all levels of government, regulators and the public to deliver a more sustainable waste and resource management solution for the UK. ESA's recent Circular Economy report '*Going for Growth – A practical route to a circular economy*', which outlines how a Circular rather than a linear economy can help manage resources sustainably, can be downloaded [here](#).
3. ESA's Members manage waste on behalf of the whole of society and we are recovering more than ever before. For example, the industry has helped quintuple the UK's household recycling rates over the last decade.
4. **The sector at a glance**
 - Total turnover: **£11 billion**
 - Direct Employment: **80,000 people**
 - Municipal waste handled each year: **over 26 million tonnes**
 - Energy generated (from waste combustion and landfill gas) each year: **approximately 6,700 GWh**, 1.5% of the UK's total electricity supply and around 20% of our renewable electricity.
 - Greenhouse **gas emissions down by 70% since 1990**.
 - The **top seven companies account for approximately 40% of turnover**. Many hundreds of SMEs provide either localised or more specialised services

For further details please visit www.esauk.org

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