Working Group Meeting on Circular Economy

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Venue: WTO, Geneva

Study on items shipped for reuse and Extended Producer Responsibility fees

A case for extending EU EPR fees to cover end-of-life activities of products shipped outside the EU
Overview

1. Focus of the study
2. What is EPR?
3. EPR in the EU and Africa
4. Challenges of EPR in international trade
5. Key findings & Case studies
7. Policy recommendations
Focus of the study

- EPR in EU and Africa
- Domestic and Global Policy Landscape
- International Trade in Used Electronics and Vehicles
- Estimating Annual Quantity of Shipped Items from the EU to Africa
- Estimating Retained EPR Fees in the Exporting Nation
- Proposing Policy Recommendations
What is EPR?

• Environmental policy approach that extends the producer's product responsibility to include the post-consumer stage of the product's lifecycle.

• Motivates producers to create more eco-friendly products, minimizing waste and incorporating end-of-life costs
EPR Legislation in the EU

- In the EU, EPR first appeared as a policy approach in the 1990s
- Currently, the EU has well-established EPR policies within its directives

EU EPR Schemes Challenges:
- EPR schemes within the EU mainly focus on waste management, not waste prevention.
- Fees are a small fraction of the price of the product (eg for a mobile phone weighing 0.2kg EPR fees can be as little as 0.02 EUR)
- Large variation between states (some have basic EPR schemes, while others such as France have more robust, eco-modulated fees, lack of collaboration)
Only 17 out of 54 African countries have EPR policies in place, many of which do not cover imported products.

The majority of EEE products consumed in Africa are imported so there is a significant challenge in enforcing EPR schemes as they do not cover goods not produced domestically.

Ivory Coast, Cameroon, and Ghana emphasise the responsibility of the consumer, not importing or manufacturing organisations.
International trade in used items

- Used electronics are exported from Europe to Africa under the categorisation of reuse, recycle and donation

- Benefits:
  - Prolonged life-cycle of items
  - Reach of reuse targets
  - Partnerships & local market access
  - Economic opportunities

- Challenges:
  - Lack of traceability and monitoring
  - Social & environmental issues for the importing countries
  - Lack of proper waste management

Part 1: From an EU consumer to an export

- Customer
- Last vehicle owner delivers the used vehicle to designated treatment facilities.

3.5 M
- Vehicles annually are unaccounted for (they are believed to be scrapped for parts and sold illegally).

55 %
- Of all used vehicle exports are shipped to emerging economies for them to be reused.

45 %
- Of all used vehicle exports are shipped to Eastern Europe and the Balkans to be reused or resold to emerging economies.

Part 2: From arrival in African countries to consumers or dumpsites.

- Import to African ports (mostly to Nigeria, Ghana, Togo and Benin)
  - Average vehicle age once imported ranges from 16-20

- A portion of used vehicles imported are filled with WEEE

- A portion of used vehicles are transported to neighbouring countries and across the African continent.
  - 75-85% of imports to Benin and Togo get transported to Niger, Mali, Chad, Burkina Faso and Nigeria

- A portion of imports are sold to the local market of the original importing country.

- A portion ends up as waste.
Key findings - used electronics

- Main EU exporting countries: Germany, the Netherlands, Spain, France and Italy
- Main African importing countries: Morocco, Tunisia, Nigeria, Egypt, South Africa
- 4.3 MT of UEEE exported yearly
EPR fees and flows - used electronics

- 1.8 MT Controlled WEEE trade
- 2.5 MT Uncontrolled UEEE trade

4.3 MT UEEE mixed with WEEE

EPR fee flows 340-380M EUR per year
Key findings - EPR fee lost from the UEEE exports

Estimated EPR fee lost from UEEE exported to Africa

- 1.8 MT controlled WEEE trade
- 2.5 MT uncontrolled UEEE trade (often mixed with WEEE)
- 4.3 MT UEEE mixed with WEEE

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
<th>Fee (M €)</th>
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<tbody>
<tr>
<td>26%</td>
<td>Small appliances 0.1 EUR/kg</td>
<td>112 M</td>
</tr>
<tr>
<td>32%</td>
<td>Screens/monitors 0.42 EUR/item</td>
<td>102 M</td>
</tr>
<tr>
<td>13%</td>
<td>Freezers etc. 10 EUR/item</td>
<td>56 M</td>
</tr>
<tr>
<td>8%</td>
<td>Other large appliances 1 EUR/item</td>
<td>17 M</td>
</tr>
<tr>
<td>21%</td>
<td>Unknown category</td>
<td>54-90 M</td>
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</tbody>
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EPR fee losses Total 340-380 M €
Case study: Used Electronics in Lapaz, Ghana

- **Exporters**: Germany, Italy, and Netherlands; China, Japan South Korea

- **Key Actors**: Suppliers and exporters; Importers, dealers, Ghana Ports Authority, consumers, repairers, and scrap dealers; customs agents and the government

- **Goods**: Televisions, washing machines and rice cookers
- **30% are faulty**
- **Scrap dealers**: financial return
- **Informal waste pickers**: poor working conditions

Image Source: The Wired
Policy Recommendation

1. Global Collaboration
2. Traceability and Technology
3. Trade Data
4. Circular Product Development
Global Collaboration & Coordination

- Between countries, PROs and local organisations involved in recycling and waste management
- Ensuring better product reuse, recycling and disposal
- Increase reuse and recycling targets
- Increased monitoring and reporting of products
Traceability and technology

- Through technology, we can ensure better global traceability of products, their second life and end-of-life

- Ultimate Producer Responsibility (UPR), Material passports, Digital product passports (DPP)

- Stricter border control, eco modulation fees, increased traceability
Trade data collection

- More informed global environment
- Better understanding of where products end up
- Better understanding of how products are treated
- Better understanding of the amount of waste or broken products are shipped
Circular product development

- Increased product value for a longer amount of time - durability, modularity, adaptability
- Decrease environmental footprint, less waste creation
- Reduce raw material dependency
THANK YOU

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