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WEBINAR REPORT: Sustainable Financing for Waste Management



July 2022



This interactive webinar, held on 28 June 2022, presented opportunities for Pacific Island Countries to undertake peer-to-peer learning on the implementation or expansion of a Sustainable Financing for Waste Management scheme, and the launch of the Sustainable Financing for Waste Management in the Pacific community of practice on the Green Forum.

Supported by



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Our vision: A resilient Pacific environment sustaining our livelihoods and natural heritage in harmony with our cultures.

INTRODUCTION



Mr Bradley Nolan
Programme Manager
PacWastePlus Programme
SPREP

Pacific – European Union (EU) Waste Management Programme (PacWastePlus), a 72-month programme funded by the EU and implemented by SPREP to improve regional management of waste and pollution sustainably and cost-effectively.

“

Small Island Developing States are experiencing an increasing amount of consumer products being imported, and few economically viable solutions for their end-of-life management. Often, with little choice available, these items to fill dumpsites, build up in stockpiles, littered, or are burnt in open pits.

Sustainable Financing schemes provide a solution to this problem of how to fund the recovery and reprocessing of these problem materials though incentivising consumers to recycle and providing a dedicated fund to enable recovery and recycling of this waste

We face a common problem, and while each of your scheme will be designed specific to your context, perhaps parts our solution can be shared and united.

”

INTRODUCTION



Ms Melanie Ashton

Project Coordinator and Private Sector Engagement Specialist, Coordination, Communication and Knowledge Management Project (CCKM), United Nations Environment Programme

CCKM: Global Environment Facility Implementing Sustainable Low and Non-Chemical Development in Small Island Developing States (ISLANDS) Programme supports 33 Small Islands Developing States (SIDS) across the Caribbean, Indian and Pacific Oceans to manage chemical and hazardous waste safely and sustainably. A global project connects and facilitates SIDS-SIDS learning across and between project regions including through dedicated communities of practice on the Green Forum.

“

Waste Management poses significant risks to human health and SIDS environment. But Waste Management cost money. For SIDS to move towards Sustainable Low and Non-Chemical Development, careful examination, and consideration of options for sustainable waste management is required. Sustainable Financing is essential.

Historically, donor projects carve out individual and specific areas to work on. However, Sustainable Waste Financing is so cross cutting and so essential that it cannot be divided along donor and project lines. ISLANDS pleased to be working with PacWastePlus on this topic.

Sustainable Waste Financing is essential to fund and incentivise collection of recycling.

Recognise work must be done at national level, but we are here to support and provide a space to learn from each other and share experience.

”

INTRODUCTION



Ms Hilary Boyes
Technical Officer-Resource Recovery
PacWastePlus Programme
SPREP

Pacific – European Union (EU) Waste Management Programme (PacWastePlus), a 72-month programme funded by the EU and implemented by SPREP to improve regional management of waste and pollution sustainably and cost-effectively.

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There are hundreds of Product Stewardship and sustainable financing mechanisms deployed in jurisdictions around the world, meaning there are numerous terminologies used, including:

- container deposit systems / container deposit schemes / container return schemes / Bottle bills, etc.
- Product Stewardship
- Extended Producer Responsibility
- Advance Recovery Fee and Deposit (ARFD) Schemes

Regardless of the terminology, they are all designed to facilitate the collection of materials through the application of a Deposit and Fee upon import or manufacture - which is used to incentivise communities to return the product for recycling.

Sustainable Waste Financing is essential to fund and incentivise collection of recycling.

”

Contents

Webinar Details 7

 Precis 7

 Background/Purpose 7

SPREPs 21-step Pathway for Sustainable Financing 8

Spotlight Session 1 9

 Gaining Political Support / Using a Multi-agency Approach 9

Spotlight Session 2 10

 Establishing and Managing a Working Group 10

Spotlight Session 3 11

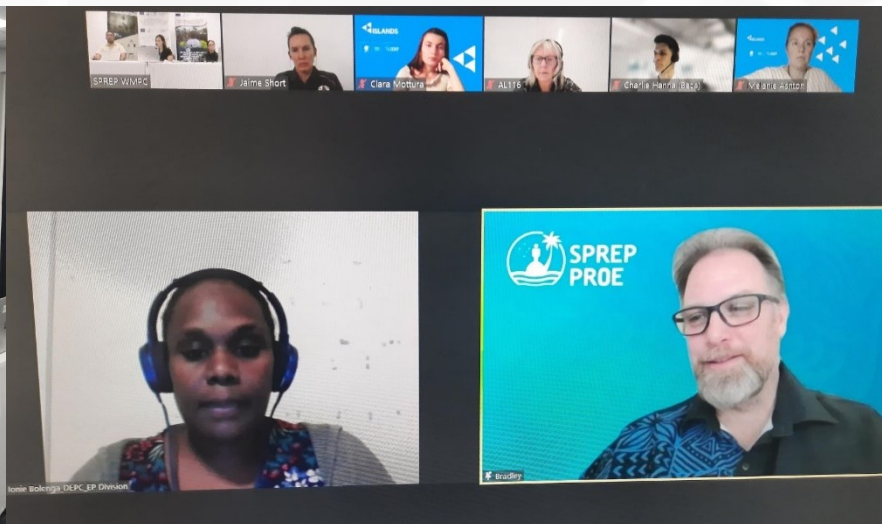
 Completing a Legislative Assessment 11

Introduction to the Green Forum 12

Questions and Answers 13

Closing Reflections 14

Contacts 17



Webinar Details

Precis

This webinar was designed to provide an opportunity for Pacific Island Countries (PICs) to undertake peer-to-peer learning on the implementation or expansion of a Sustainable Financing for Waste Management schemes. It also served as a launch of the Sustainable Financing for Waste Management in the Pacific community of practice on the Green Forum.

Background/Purpose

PICs are faced with the increasing issue of low-value recyclable materials filling dumpsites and building up in stockpiles. Consumer items such as beverage containers, electronic items, and vehicles are imported into the islands but there are currently limited financially viable options for their end-of-life (EOL) collection, processing, and export.

Countries in the Pacific are increasingly viewing Sustainable Financing Fee and Deposit schemes as a solution to the issue. The schemes work by calculating the “true cost” of the collection, processing, and export of recyclable items, and applying this ‘fee’ upfront, upon import or manufacture of the item.

An additional ‘deposit’ is added to the sale of the product, which is returned to the consumer when the product is returned for recycling, incentivising recycling behaviour.

This webinar was not designed to restate what Sustainable Financing schemes are and how they benefit waste management. Instead, it was designed to provide an opportunity for government officials to hear from their peers about their experiences with scheme design, so they can apply those learnings to their own scheme design processes.

This webinar also introduced how PacWastePlus and ISLANDS will facilitate an ongoing learning opportunity through the Green Forum – a new collaboration space for stakeholders in the green economy: <https://thegreenforum.org/>

375 government workers from across the globe registered to participate in the event, or receive the information following the webinar, clearly indicating the importance of this issue, and the global movement to Circular Economy and Products Stewardship schemes.

Only through effective Policy setting and integrating business and industry systems into our management approach, will we start to make meaningful inroads to our production / consumption / waste issues.

SPREPs 21-step Pathway for Sustainable Financing

The [21-step pathway](#) was developed in response to decision makers seeking guidance on the design of ARFD Systems. SPREP has researched the systems, reviewed legislative frameworks in the region, and identified the major elements of system design and implementation that would benefit detailed consideration by policy makers. The 21-step pathway is designed to guides the pathway to consider the key steps in system design.

Generally, there are four different phases towards implementing a Sustainable Finance scheme:

1. **Feasibility phase** – conduct investigation to consider questions such as: what is the overarching purpose or outcome being sought - What problem will it solve? What are the problematic waste materials and how are they currently being managed?
2. **Legislative / political phase** – gain political support and undertake the legislative activities such as developing policy papers and drafting legislation
3. **Communication phase** - engage with your stakeholders and communities to gain input into scheme design, and complete awareness on scheme operation
4. **System creation phase** – bringing it all together and undertaking physical investment, training, and establishing systems needed for scheme implementation

21 STEP PATHWAY



Spotlight Session 1



Jaime Short
Consultant
Infrastructure Cook Islands

Gaining Political Support / Using a Multi-agency Approach

The Cook Islands Advance Recovery and Disposal Scheme (ARDF) was first proposed in the Solid Waste Management Strategy endorsed by Cabinet in 2013. The Committee allocated responsibility for the implementation of the Strategy to Infrastructure Cook Islands (ICI).

Key Takeaways

- Initial political reluctance for the ARDF idea due to a sugar tax which had just been applied but initial consultation showed community and business support.
- 2017 - A first dedicated Cabinet memorandum was drafted in to inform that ICI was planning to work with Customs and Finance to develop the ARDF concept in detail. Memorandum was not finalised due to missing detail from finance.
- 2018 - first policy was produced, developed in consultation with Customs, recycling/shipping company, largest importer, and an environmental NGO. No finance representative. This policy again did not progress to Cabinet due to missing detail from finance.
- 2019 - Ministry of Finance started to engage. Workshop was established to get all the key players to the table and confirm detail but continually delayed. Once held more questions were raised and the Policy could not be finalised.
- 2020/2021 - PacWastePlus commissioned a feasibility study, and a new version of the Policy was developed with findings. Confirmation of scheme finances could again not be gained so no Cabinet submission was made.
- 2022 - third working group session was held, and a final policy was completed. Instruction was also o progress the draft Solid and Hazardous Waste Bill (the overarching act) so both could be submitted to Cabinet. The Bill is a three-party Bill between Health, Environment, and ICI. The Bill and Policy will be tabled for reading in August.
- Overall while there has been interest and support for the scheme from stakeholders, there hasn't been continued commitment to progress it.
- ICI are the experts in waste management so we can draft those parts of the Policy but need the support and real buy-in and input from other ministries. If they have not been mandated to engage, then in our experience it is very difficult to progress with scheme design and gaining political Support.
- The key learnings from the process in the Cook Islands and recommendations for countries starting the design of their Sustainable Finance scheme is, as soon as initial political support has been received for scheme design, draw up a formal MOU between responsible ministries specifying roles and responsibilities, timelines, and other commitment.

Spotlight Session 2



Ionie Bolenga

Principal Officer Waste Management & Pollution Control, Department of Environmental Protection and Conservation, Vanuatu

Establishing and Managing a Working Group

A Container Deposit Scheme (later called Product Stewardship Scheme) has been viewed as beneficial to Vanuatu since 2017/18. A pre-feasibility was completed, and a paper submitted to Council of Ministers in 2019. The Council of Ministers endorsed scheme and recommended we progress with Managing Agency approach and to establish a Working Group of Public and Private Sector Stakeholders.

Key Takeaways

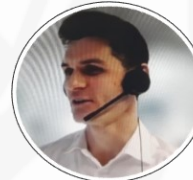
- Working Group formed by DEPC in Partnership with J-PRISM as technical advisors. Linked in with existing Waste Management and Recycling Association, comprised of representatives from Recycling, Beverage Manufactures, Main importer, Custom, Finance, NGO/Civil Service. Goal was to work through design of scheme.
- The creation of the Working Group provided a forum to discuss Waste Management issues, the first time since our Plastic Ban was designed. The Working Group provides companies in Vanuatu an opportunity to provide their perspective and support, a valuable opportunity given the impact to business and waste management. The Working Group advised on the design the scheme – including products to be captured by the system and structure of the Managing Agency.
- Using an existing Waste Management and Recycling Association was also beneficial as it meant they could negotiate for donor funding and organise events etc.
- We did experience some challenges, mainly around a disconnect on mandate – for example the Working Group thought they were mandated to design the whole scheme, but Government was seeking feedback and input into the policy they would draft. This might have been negated through establishing a TOR or MOU at formation of Working Group.
- Other government agencies such as Customs and Finance, who need to be key partners for scheme design, and did not engage in all Working Group meetings until specifically needed – building strong inter-governmental relationships at commencement of the process is advised.
- There was only one importer on the Working Group, and we found that the others were not happy. Solution was to host separate meetings with only importers.
- Also experienced a conflict of interest within the Working Group with different agencies represented twice.

Spotlight Session 3



Annika Lane

Senior associate – Spatial and Policy Planning, BECA International, New Zealand



Charlie Hanna

Senior Climate Change & Sustainability Advisor, BECA International, New Zealand

Completing a Legislative Assessment

Pacific Island Countries face a common waste problem: Reliant on imports of various consumer items – however limited financially viable options for their end-of-life management and export. Recyclable materials end up in landfill, burnt, or in stockpiles.

Key Takeaways

- Often countries see value in a Sustainable Financing system, but often face a common legislative problem: being unsure how or whether scheme can fit in existing legislation.
- Before determining appropriate legislation, first important to understand both the outcomes being sought by the scheme and identify key parts of the scheme design. It is recommended to analyse the current issues and provide evidence base for decision makers. A Policy paper can be used to zone in on the “why” and extract details of scheme design specific to each country to detail the initiative and seek agreement from decision makers. A Policy will underpin the legislative framework.
- Once understand key parts of the scheme design, can then identify where scheme can fit in legislation. First step is to identify gaps in the current system. Can do this by identifying the key topic areas such and look across existing legislation to identify the hooks or gaps.
- Might be identified that the scheme can be developed as a regulation under an existing legislation or required the development a new overarching act to empower the scheme. Developing regulations will be faster than developing new legislation, but new legislation may allow a more complete under-pinning framework.

In summary, key steps in completing a legislative assessment are to:

- Define the problem, Identify the outcome you are looking for
- Identify the issues
- Provide the evidence
- Identify gaps in the current system
- Decide what tools to address the gaps – policy, regulation, legislation
- Identify key stakeholders & champions and define their roles – engage early
- The solution needs to be proportionate to the problem

Introduction to the Green Forum



Clara Mottura
Community Engagement Officer
Green Growth Knowledge
Partnership

ISLANDS, SPREP, and PacWastePlus are using a new interactive platform for online community engagement, the Green Forum.

Key Takeaways

- This is a place for professionals and enthusiasts to discuss and share insights and best practices on the green transition. There are many different discussions dedicated to several green economy transformation topics such as the blue economy, sustainable tourism, or gender.
- The Green Forum hosts Communities of Practice – including The Sustainable Financing for Waste Management in the Pacific. The objective of this Communities of Practice is to provide a space for decision makers and practitioners to share resources, common challenges and lessons learned on the design, implementation, and operation of their sustainable financing scheme.
- This group is the place to go for people in the Pacific to ask questions and find solutions on Sustainable Financing schemes.
- This group will also serve as the digital space for the Sustainable Financing Study Tour in Australia – co-organized by PacWastePlus and ISLANDS. Participants will report back on the green forum daily to ensure learnings are shared for those at home.



To join the group, register on the Green Forum:
<https://www.thegreenforum.org/user/register>
and go to the “[Sustainable Financing for Waste Management in the Pacific](#)” community and click join.

There is a tutorial on the “How to Use the Green Forum page”
<https://www.thegreenforum.org/how-use-green-forum>

Questions and Answers

What led to the decision by Cook Islands to recommend establishing a MOU between Ministries involved in design of Sustainable Financing legislation?

Scheme design in the Cook Islands took many years, not from lack of support but simply to prioritise time to dedicate to it. Looking back, had we had a high-level agreement between key agencies (Infrastructure, Customs, and Finance) maybe that would have helped to formalised responsibilities and identified appropriate personal to work on scheme design, and formally allocating their time in their work plan.

The Cook Islands has been designing their scheme since 2017, what do you suggest a realistic timeframe is to design and implement a scheme?

Very hard to specify. Some schemes, such as Tuvalu and Kiribati, managed to design and implement their schemes in a year or two. Palau took five years, and the Cooks and Vanuatu is the same. Political Will seems to be the main factor to determine timeline. Governments must dedicate the time and resources to it. Some legislation can be passed very quickly when it is something they really want! With a solid Working Group arrangement who can undergo appropriate scheme design, complete stakeholder engagement, and engage with a political champion, schemes have a good chance at approval at an appropriate timeline.

What was an example of a challenge experienced in Vanuatu when involving the Private Sector in scheme design?

Major challenge was disagreement the list of items to be included in scheme. At one point government were given an ultimatum that certain items be included in the scheme or Private Sector would leave the group. An example of this was the inclusion of Liquid Paper Board. The goal of Government for the scheme is to divert waste from landfill. As there are currently limited options for recycling of Liquid Paper Board, we did not feel the scheme should include this item. However, the Working Group thought it should be included to make it clear for consumers (all beverage containers included) and to reduce perverse outcomes – for example bottlers switching to using LPB instead of PET.

In Vanuatu's experience, what are the key elements could be included been included in the Working Group TOR

The Government Department as the regulator should be clearly reflected. The TOR should be centered around the responsibilities of department, as mandated under the Waste Management Act and regulations. If that was clearer from start, it might have avoided going back and forward on the same issues in Vanuatu.

How is VAT and GST applied in operating schemes?

In Australia, the GST component is not charged on the deposit component. *Further analysis on this question is currently underway, answer will be posted in the Green Forum*

What can be the difference between voluntary schemes developed with MOUs or other agreements, or legislated agreements?

If a scheme designed under a MOU or through voluntary agreement, it need a champion. When there is a change in personal, it is common to see schemes collapse. Recommend schemes are developed under appropriate legislation to ensure activities are managed and sustainable in the long term.

What are the specific issues that should be on the agenda early when exploring development of a Sustainable Financing scheme?

Annika /Charlie: Recommend having a clear definition of problem and policy rational for wanting to address this issue. Recommended to articulate and agree on the problems to be solved and be very clear of the outcomes seeking from scheme. In terms of specific issues, items on the early agenda might include how to administer and securely manage of the fund, how to reduce likelihood of fraudulent activities, and how to operate scheme to provide for effective community participation.

Vanuatu: importers and beverage are on the Working Group. Did it require special involvement/consultation for them to support scheme?

Before the establishment of the Working Group, the Vanuatu Waste Association undertook significant consultation with the Private Sector for them understand the scheme and benefits for the country and to agree to be part of the Working Group.

UK has moved into taxing plastic packaging this year. Seems a reasonable and effective policy move to reduce pollution. Is taxing plastic being considered in the Pacific?

Sustainable Finance Schemes are about driving incentive for consumers to return recyclable items so they can be recovered, to enable that circular economy approach. Applying a tax on certain items is more about driving an income source to enable the management of that items or providing a disincentive for consumers to purchase those items. Sustainable Financing schemes and applying taxes can be linked and operating together to drive changes to industry and consumer practices. <https://www.gov.uk/guidance/check-if-you-need-to-register-for-plastic>

Closing Reflections



Ms Melanie Ashton

Project Coordinator and Private Sector Engagement Specialist, Coordination, Communication and Knowledge Management Project (CCKM), United Nations Environment Programme

“

Key lessons webinar:

Cook Islands – potential for high-level MOU at beginning of the process to engage the key ministries to get people to commit to the process. If there is political will and motivation, schemes can pass quickly but if that will and commitment not there then they can take many years.

Vanuatu – Importance of engaging the Private Sector. They are key stakeholders, and they will not be on board with the scheme if they are not engaged in the design process

BECA – Being clear of journey at the outset and importance of identifying existing framework and hooks to put legislation. There is a need to balance price and convenience, and the need schemes to be easy for people to return their items. The solution should be proportional to the scale of the problem.

We can all learn from each other. Please continue the conversation on the Green Forum.

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[Watch Webinar Video](#)

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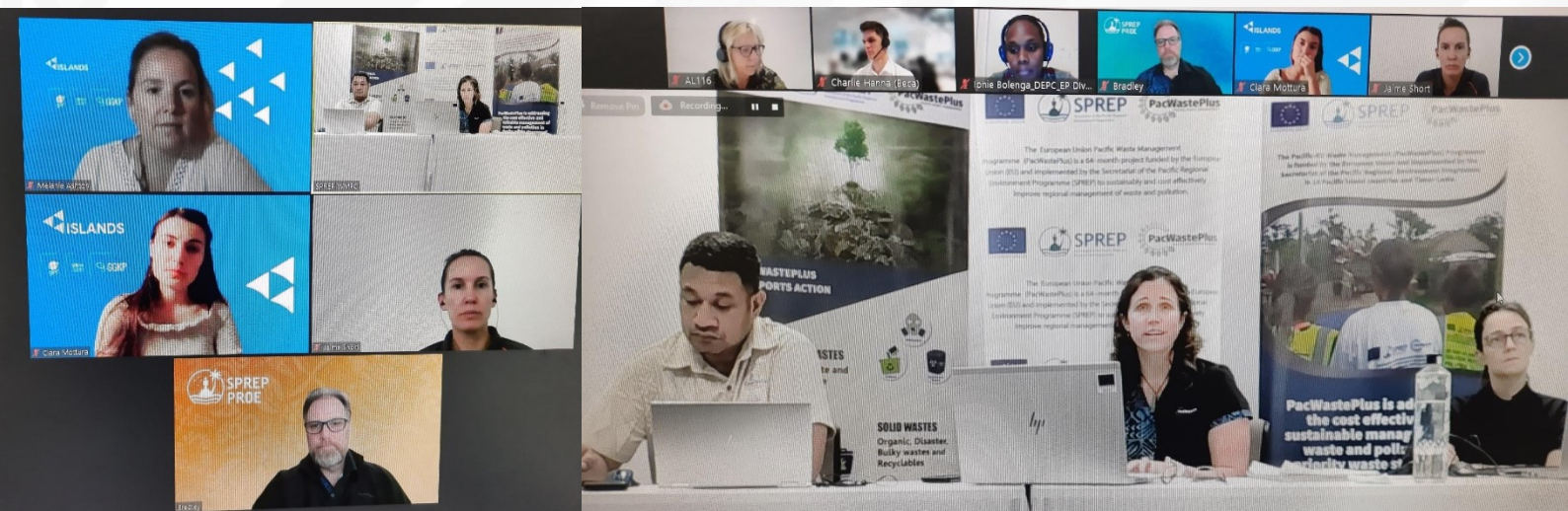


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initiatives/gef-islands](http://www.greengrowthknowledge.org/initiatives/gef-islands)



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