



**Best in class
deposit systems**

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Ministry of Environment of the Slovak Republic | www.minzp.sk/iep



Implementing DRS in Slovakia

Ján Dráb



A short timeline

- A long tradition of deposits on some glass bottles
- 2003 – the first initiative
- Beginning 2018 – plastic waste is a major issue in Slovakia and EU
- Summer 2018 – the Minister asks IEP to prepare a costs-benefit study on implementing DRS in Slovakia
- November 2018 – study „Real Price of Deposit“ is published
- 2018/2019 – public debate
- 2019 – decision to implement DRS
- September 2019 – the law has passed by National Council

The clash of the stakeholders

- 86% of Slovak population support DRS
- Initially, Slovak producers and retailers protested DRS
- Our study and calculations were widely accepted by all the parties
- In the process of interdepartmental comment procedure most of the producers and retailers became constructive in redrafting the law
- By the end, only a small share of (predominantly domestic) retailers still fundamentally disagreed with the law
- The final act is based on the principles from our study

The aim of the legislation

- Inspired by Scandinavian model with strong central authority
- As much flexible and market-driven as possible
- With a target of 90% return rate
- All the costs should be borne by the producers
- Only limited mandatory involvement of retailers
- (So far) only one-way plastic and metal beverage containers
- Administrator – by producers (no specific market shares)
- Do not make up what was made up before: an inspiration from Lithuanian (and partly Estonian) legislation

Simplified structure

- **Act**
 - Subject matter
 - Basic provisions
 - Application of deposits for disposable beverage containers
 - Obligations of producers
 - Obligations of distributors
 - Administrator
 - Authorities
 - State supervision
 - Offences
 - Fines
 - Targets
- **Decree of Minister**
 - Labeling
 - Minimum deposit
 - Type of packaging

Basic information

- Only one-way **plastic** and **metal** beverage packaging (0.1 – 3l)
- **Beverages** (more than 80% share of water) – including beer, wine and juices; excluding spirits, oils and milk
- Only minimum deposit defined (10 cents for metal and 12 for plastic)
- Labeled by: text, graphic symbol and **EAN code (domestic)**
- **No provisions on RVMs** – design of the system is in full responsibility of the administrator
- Targets + fines + flexibility -> **optimum system**

Targets and fines

- A compromise with producers
- Plastic
 - 2022 – 60%
 - 2024 – 77%
 - 2027 – 90%
- Metal
 - 2025 – 70%
 - 2029 – 90%
- The aim of fines is not to raise funds but to secure functional system
- The main fine is of **4000 EUR/ton** under the target (non-arbitrary)
- **It means a fine of 1 360 000 EUR if 1% under the target**
- Similar fine also applies if producer, distributor or administrator would not participate or sabotage the system

Fines

- The aim of fines is not to raise funds but to secure functional system
- The main fine is of **4000 EUR/ton** under the target
- No place for arbitrary decisions
- Also applies if for instance producer, distributor or administrator would not participate in the system
- **It means a fine of 1 360 000 EUR if 1% under the target**

How to secure optimum handling fee

- All the retailers have to apply deposits on beverage packaging
 - But only those with sales area greater than **300m²** are obliged to take-back (for the rest it is voluntary)
 - Involvement of retailers with only mandatory take-back is **insufficient** to reach high targets
 - Administrator of the system will therefore have to **reach the agreement** with some other retailers
 - But the acts says that handling fee has to be **non-discriminatory**
- > this should secure **optimum handling fee** for all the retailers



Needed changes elsewhere

- Act on waste
 - Concerning separate collection (standards of collection and collection targets)
 - Packaging recycling targets
- Act on Waste Deposit Fees
- Regulation defining the level of rates of charges for waste disposal and details related to the redistribution of revenues from charges



Where we are now

- Dec2019/Feb2020 – the call, evaluation and selection of the operator of DRS (central system)
- 2020-2021 – building the system
- **Jan2022** – the final implementation

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„**Real Price of Deposit**“ analysis including **technical annex** and **2 new annexes** on impact of DRS on EPR and potential of separate collection for plastics