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Executive Summary

PRODUCER RESPONSIBILITY ORGANIZATION (PRO) IN INDONESIA'S EXTENDED PRODUCER RESPONSIBILITY (EPR) SYSTEM

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EXECUTIVE SUMMARY

PRODUCER RESPONSIBILITY ORGANIZATION (PRO) IN INDONESIA'S EXTENDED PRODUCER RESPONSIBILITY (EPR) SYSTEM

THE RELATION BETWEEN REGISTER AND SYSTEM OPERATOR IN AN EPR SYSTEM

The concept of Extended Producer Responsibility (EPR) is based on the producer's obligation to take full responsibility for the products they produced throughout the product's life cycle up until its end-of-life phase. EPR allows producers to undertake their responsibilities by providing the necessary financial resources and/or by taking over the responsibility to implement the operational aspects of waste management activities from the current authorities, or in Indonesian context from the local (regency/city) governments.

The formalisation of Regulation Number 75 Year 2019 on the Roadmap for Waste Reduction by Producers (PerMenLHK 75/2019) by the Minister of Environment and Forestry has provided an umbrella policy for EPR development in Indonesia. Thus the next step is to formulate a feasible concept and building block elements of EPR that suit the Indonesian context to ensure the developed EPR system can operate in an effective and efficient manner.

The two key elements in an EPR system are the register and a Producer Responsibility Organization (PRO), also called system operator. The OECD Guidelines on EPR (2016) stated that since 2001, register of producers and accreditation of system operators are critical to promote compliance with EPR obligations. Aside from data collection, the register also has another purpose: "... provide PROs with the means to compile information needed to set fees and to identify free-riders". Meanwhile, accreditation is used to monitor and ensure the conformity of the operator's system performance to the specified criteria¹.

The above narrative shows the interconnection between register and system operator, and hence the development of both elements in an EPR system cannot be separated. Considering this relation, this particular technical document seeks to provide recommendations on the suitable model of a system operator for the Indonesian EPR system

THE ROLE OF A SYSTEM OPERATOR IN EPR DEVELOPMENT IN INDONESIA

A system operator is key in the operations of an EPR system, which applies a collective approach or an indirect take-back scheme. This actor will be the control tower that coordinates a series of activities within an EPR system, including taking over the responsibilities of the obliged companies.

The system operator in the Indonesian waste management system, has the following roles and responsibilities:

- a. Representing the producer in managing the take-back process of a product or packaging issued to the market by the particular producer.
- b. Assigning the take-back partners via a cooperation agreement, wherein the take-back partners will then assign collection, recycling and residue processing networks to

¹ OECD: "Extended Producer Responsibility: Updated Guidance for Efficient Waste Management", 2016

- undertake the responsibility for the collection, recycling and residue processing in accordance with orders from the take-back partners.
- c. Validating take-back reports from take-back partners by independently recapitulating data provided by or obtained from actors and networks in the system.
 - d. Preparing and submitting the validated take-back reports to producers.
 - e. Monitoring and evaluating the carried out take-back process.
 - f. Regulating financial aspects related to the operations of the EPR system, including managing funds (EPR costs) from producers.

CONSIDERATIONS IN THE DEVELOPMENT OF A SYSTEM OPERATOR IN INDONESIA

The development of a system operator should consider potential limitations that could arise during identification of producers for a certain waste, and should ensure at the same time the continuity of business processes along the packaging waste value chain. Therefore, a robust planning for waste collection is critical to assure that the appropriate producers can be identified. Careful planning is also needed when developing the indirect take-back scheme that will be carried out by the system operator.

To strengthen the EPR system and to involve more actors, networks and partnerships should be built with associations that have a focus on waste collection, recycling and processing. With an increasing number of actors involved, the amount of waste managed can grow, which will subsequently increase the impact provided by the EPR system.

Imprint

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