

EKO**KOM**

AUTORIZOVANÁ OBALOVÁ SPOLEČNOST

Czech solution since 1999

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Czech Facts

- Population: 10.600.000
- Packaging law cover: consumer and industrial packaging
- Packaging waste law: since 2001
- Number of municipalities: 6.300
- PRO's: 1

Packaging law

Predictable, transparent and stable

- Transparently declared obligations linked to packaging and packaging waste
- Law is very stable, only few updates since 2001 and mostly adopting EU requirements
- Precise definition of PRO:
 - Non for profit
 - No vertical integration allowed
 - Clearly defines roles of stakeholders
 - Strictly can do only packaging waste business
 - Equal contractual conditions
 - Authorisation project required
 - Transparency in shareholders structure
- Competition is allowed and also self/compliance

EKO-KOM fundamentals

Continuous development

- Covering consumer and industrial stream
- No material and infrastructure ownership - newly its not allowed by law (since end 2020), before it was opinion of state and antimonopoly office - not to distort free waste market
- Stream is financing till positive economic value of secondary raw material
- Full transparency - all clients fees and subsidies for waste sector are public - web site
- Very strict codex - compliance rules
- Audit and verification procedures strongly incorporated in scheme for packaging and waste stream
- Effective “integrated scheme” solution

Scheme financing

Only income from clients fees

- Members of PRO: 21.000
- Avg. market share: 90% (based on E&Y study 2019)
- Equal contractual and fee conditions, no hidden discounts or specific fees
- Strong role of audits, volume in Authorisation, at least 20% per year
- Shareholders have the same conditions like other clients, no advantage for them

EKO-KOM function

Consumer stream

- Collaboration with 99% municipalities based on contracts
- Subsidies based on capita, per collected ton and bonus criteria - only financial tools
- Subsidies reflect efficiency of collection and also different economical conditions for different municipal sizes - methodology is approved by “Czech union of cities and villages”
- Most common system are coloured bins 90% of CZ
- Door to door collection and individual collection 10% of CZ
- In scheme are included municipal drop-off yards, private collections points (MET + PAP)
- Collection of packaging waste stream and non packaging waste stream - distinguish by waste stream analysis
- Strong focus on municipal education and informing

EKO-KOM function

Industrial stream

- Covers group, transportation and B2B packaging
- System costs are 1:10 comparing with consumer packaging waste
- Main partners are waste management companies, but direct contracts with waste producers are possible (direct export of secondary raw materials)
- Including partners treating hazardous packaging waste
- Covering producers of packaging, fillers and importers and retail
- Obligation to pay is only once in system, but if none, final responsibility is set to who is selling to consumer

EKO-KOM function

Other system components

- Sorting lines, primarily connected to municipal stream
- Recyclers connected to all streams
- Communication plays crucial role influencing consumer behaviour
- Research and analytics project
- Preventions programs

Scheme costs in 2019

Cost split is nearly constant under “old” condition till 2020

- Turnover 81 milion EUR, cost per capita 7,62€
- Split of costs:
 - Take back: 70%
 - Sorting: 10%
 - Treating and recycling: 6%
 - Reserve fond: 2%
 - Packaging agenda and audits: 2%
 - Waste agenda and audits: 3%
 - Consumer communication: 4%
 - Administration: 2%
 - Taxation: 1%

Under control

Continuos process

- 2 types of audit, statutory and system - big auditing company
- Annually checks from Ministry of Environment
- Antimonopoly office - market distortion and equality of conditions
- Financial authorities - fairness of fees and subsidies
- Supervisory board
- New board of stakeholders will be established - after packaging waste law update and new Authorisation - from summer 2021

Pros of Czech solution

EKO-KOM treats advantages to reach optimum for state

- One communication towards consumer is not confusing for them
- Stream tracing is easy, nearly impossible to cheat or double count
- One point reporting
- No discrimination for clients and waste partners - no market distortion caused by PRO
- Perception as Public service, benefit for State, Industry and Waste partners including **Municipalities**
- Predictability and stability of scheme behaviour are important for waste stream partners
- Reserve fund for ironing market turbulences

Thank you for you attention

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