**Extended Producer Responsibility (EPR) - Part II.7**

We are in favor of merging the options 1 and 2, combining the core obligation to establish EPR systems in line with key principles and minimum requirements contained in an annex to the treaty.

Please find below our recommendations on the text for the provision on EPR. We anticipate broad support from the private sector for implementing a more harmonized approach on EPR under the treaty.

1. Each Party shall, in accordance with national circumstances and **capabilities**, establish mandatory, well designed and fee-based Extended Producer Responsibility (EPR) systems for at least the products and product groups listed in annex [XX] in accordance with key principles and minimum requirements, including, where relevant, on a sectoral basis as outlined in the same annex.
2. EPR systems require all companies who introduce certain products or product groups into a country’s market to be responsible for, participate in the management of, and provide funding dedicated to their after-use collection and processing. They should promote better design of products, incentivize reuse, refill and the reduction of plastic use and waste generation, increase recyclability, promote higher collection and recycling rates, and enhance the accountability of producers and importers for safe and environmentally sound management of plastics and plastic products throughout their life cycle and across international supply chains.
3. The key principles and minimum requirements contained in annex [D] should inform the establishment of national EPR systems and define their essential features, and to support their harmonization, taking into account the objective of ensuring a just transition.
4. These measures shall be reflected in the national plan communicated pursuant to [part IV.1 on national plans].

**Explanatory note**

We believe EPR is to be implemented and enforced as a performance-based regulation in which specific outcomes and objectives are set and defined by law at the national or subnational level, including the specific roles and responsibilities of stakeholders involved in delivering on these. Only the development of a dedicated annex to the treaty will ensure a minimum level of harmonization of EPR regulations across markets. An annex to the treaty should establish:

* Key principles for the design of effective EPR system
* Minimum requirements to be implemented in sector-specific EPR regulations, starting with packaging
* Important safeguards to ensure a just transition
* Available resources and support

**Intersessional work**

We recommend an online working group of experts between INC3 and INC4 to align on a definition of Extended Producer Responsibility, a meaningful set of core principles, and a set of minimum requirements to ensure the establishment of successful programs.

The use of EPR fees must cover the net costs of waste collection, sorting and recycling, as well as related communication activities and administration costs of the EPR system. This should include adequate measures to promote social inclusiveness and fairness, especially in transitional markets, and contribute to improving health, welfare, training and income of workers in informal and cooperative settings. Obligated producers should be involved in the process of setting EPR fees, and have access to a transparent breakdown of these fees.

Almost two-thirds of total plastic waste comes from applications with “in-use lifetimes” below five years, e.g.: packaging (40%), consumer products (12%), and clothing/ textiles (11%). A legally binding obligation for parties to the treaty to introduce and enforce EPR policies should be applied in these sectors with a sense of urgency.