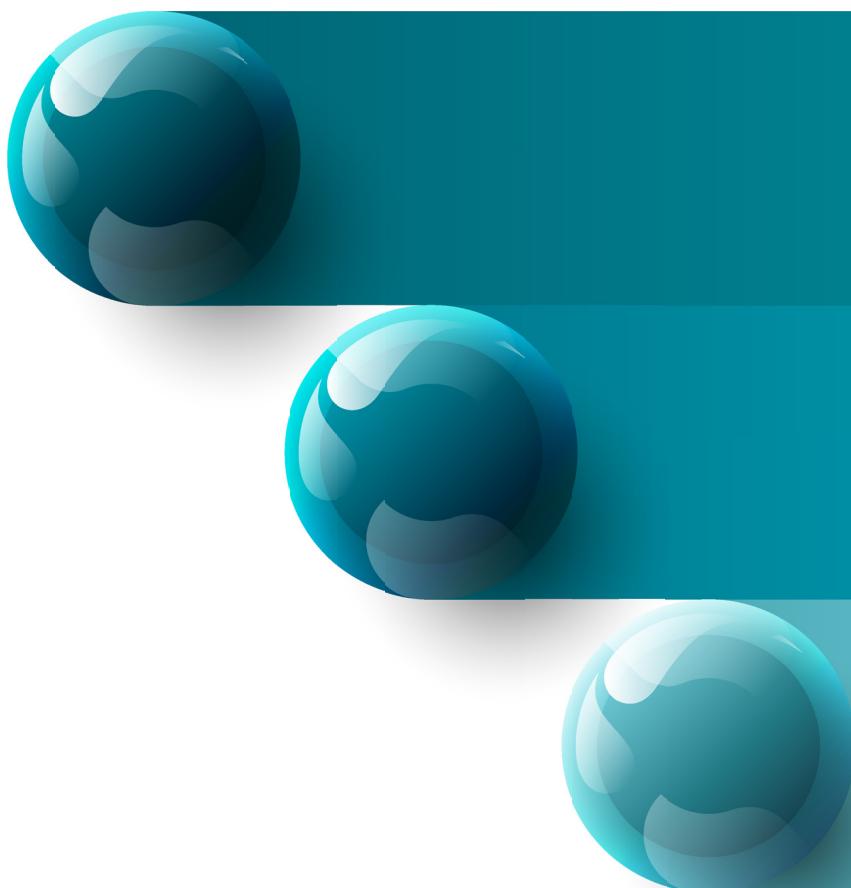


Action Plan to Implement a Mandatory Packaging Reporting Scheme in the Maldives



Acknowledgement

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European Commission, SWITCH-Asia Programme

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Background

The development of the Action Plan for the implementation of a mandatory packaging reporting scheme in the Maldives is especially timely since it might help to meet recent regulatory requirements in the Maldives. On December 18, 2022, the President of the Maldives ratified the Waste Management Act (24/2022)¹. A mandatory packaging reporting scheme contributes in three regards to the implementation of and the compliance with this act.² First and foremost, this act requires the Ministry of Environment Climate Change and Technology (MoECCT) to outline waste management data collection standards and procedures at latest six months after ratification of the act. The development and implementation of a mandatory packaging reporting scheme can be considered part of fulfilling this requirement. Second, such a reporting scheme is often seen an indispensable prerequisite or springboard for the successful development and effective implementation of an Extended Producer Responsibility scheme that is also mandated by the Waste Management Act. Like the waste management data collection standards and procedures, first regulations for the Extended Producer Responsibility scheme need to be developed at latest six months after the ratification of the act. Once implemented the mandatory packaging reporting scheme helps to overcome existing data gaps and provides much needed information on plastic packaging that enter the Maldivian market and that will eventually end up in the Maldivian waste management system, thereby facilitating the development and implementation of an adequate and effective Extended Producer Responsibility Scheme. Third, the data that is collected through the mandatory packaging reporting scheme helps and supports the government in developing and implementing its National Waste Management Strategies and Master Plans that – according to the new Waste Management Act – need to be developed within 12 months after the act's ratification. Later, the data will help in streamlining, revising and updating these strategies and plans.

In order to devise a suitable Action Plan for the implementation of a mandatory packaging reporting scheme in the Maldives, insights from two analytical steps were used. On the one hand, the Action Plan draws on the insights from the assessment of the constraints, gaps and opportunities of a mandatory packaging reporting scheme in the Maldives that were prepared in the course of the assignment, in particular those in Deliverable 2 “Fully developed implementation instrument for single-use plastic phase-out. Mandatory Packaging Reporting Scheme on imports of plastics and plastic products”. On the other hand, experiences and lessons from the development and implementation of such a scheme in other countries were examined. This served to understand the difficulties and obstacles that stakeholders might face in the actual development and implementation of a mandatory packaging reporting scheme and the potential mitigation measures to tackle them. The implementation of the mandatory packaging reporting scheme in Singapore was particularly helpful in this regard, also because Singapore is a Small Island Developing State like the Maldives and thus faced similar challenges. Against this background, the Singaporean experiences serve here as main source of inspiration.

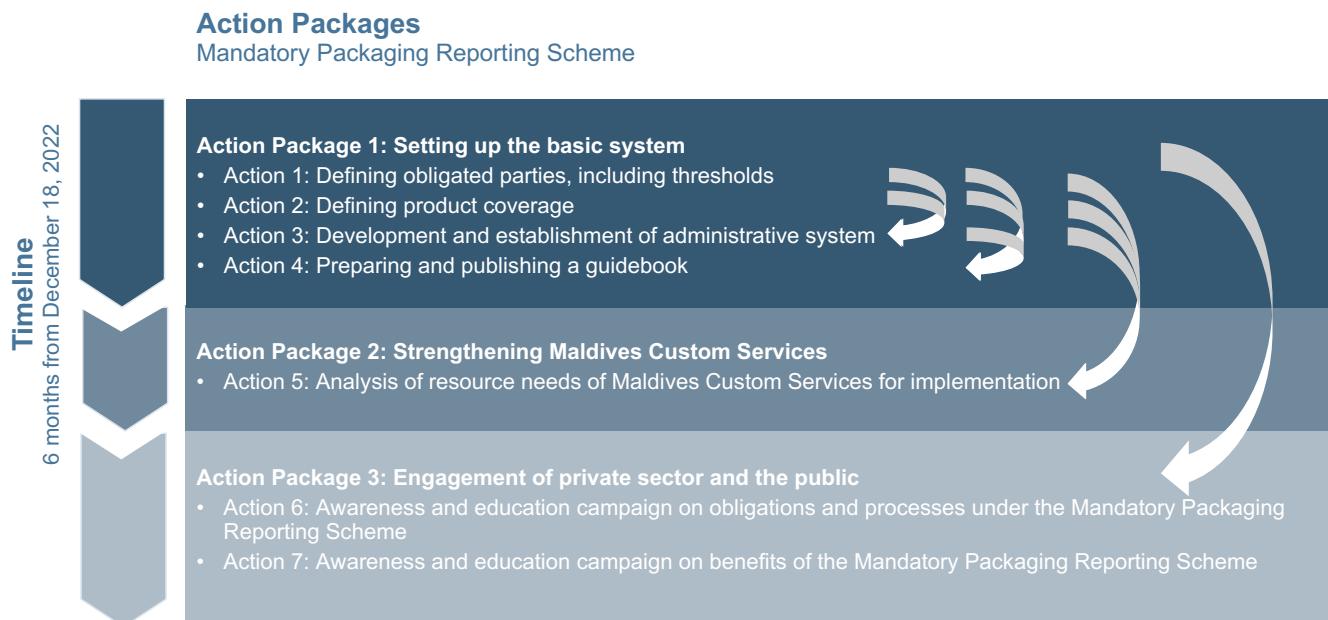
1 Waste Management Act (24/2022) (<https://gazette.gov.mv/gazette/6623>)

2 See Deliverable 2 “Fully developed implementation instrument for single-use plastic phase-out. Mandatory Packaging Reporting Scheme on imports of plastics and plastic products” for a more detailed elaboration of these aspects.

Recommended action packages and steps

The Action Plan to implement the Mandatory Packaging Reporting Scheme in the Maldives consists of three main packages that overall comprise seven individual actions (see figure 1).

Figure 1 Overview of action packages and timeline



In particular in the first two Action Packages most actions influence the subsequent actions. The definition of obligated parties and product coverage determines the features of the administrative system of the Mandatory Packaging Reporting Scheme as well as the Guidebook. Together, the definition of the obligated parties and the product coverage as well as the design of the administrative system largely determine the additional requirements for the Maldives Custom Services and thus its resource needs for implementation. Action Package 3 eventually builds on the decisions and results of each action in Action Package 1 and 2.

Moreover, and in view of the regulatory requirements of the new Waste Management Act, in particular its requirement to develop regulations for an Extended Producer Responsibility scheme, each action should be aligned with the envisaged details of this scheme. Only then can be ensured that the Mandatory Packaging Reporting Scheme can be used as springboard for this scheme by collecting and making available the necessary and needed data, for example to establish the baseline for the scheme and to set appropriate fees. In other words, the actions to develop and implement the Mandatory Packaging Reporting Scheme must be seen and designed as lead up to a full scale implementation of the Extended Producer Responsibility Scheme. This applies in particular to the four actions in the first Action Package (Setting up the Mandatory Packaging Reporting Scheme) but is also relevant for the Actions in the Action Packages 2 and 3.

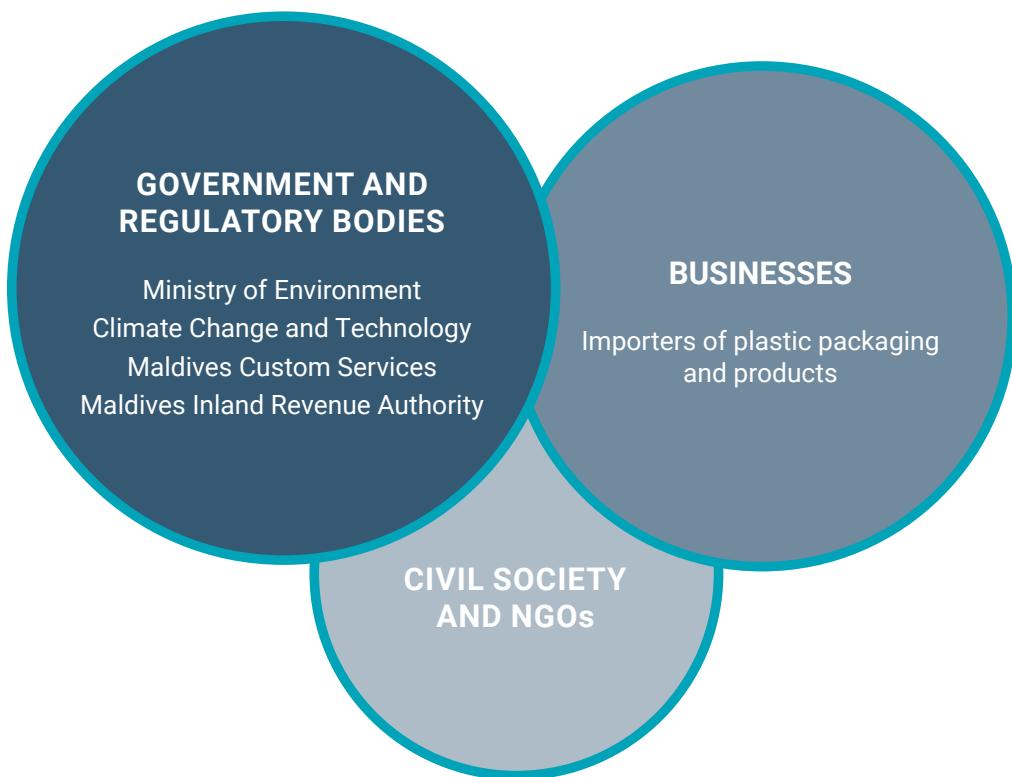
Recommendation A



The design of the Mandatory Packaging Reporting Scheme should be aligned with the envisaged details of the planned Extended Producer Responsibility Scheme

Key stakeholders in the implementation of the Action Plan and the Mandatory Packaging Reporting Scheme are government and regulatory bodies, businesses as well as civil society and non-governmental organizations (NGOs).

Figure 2 Overview of key stakeholders



Action Package 1: Setting up the Basic System

- Action 1: Defining obligated parties, including thresholds
- Action 2: Defining product coverage
- Action 3: Development and establishment of administrative system
- Action 4: Preparing and publishing a guidebook

Action 1: Defining obligated parties, including thresholds

The Mandatory Packaging Reporting Scheme needs to define and precisely describe the actors that are required to report (obligated parties). This definition comprises two steps.

First, and basically, the type of companies that will be required to report need to be defined. In the Maldivian context, this should include all companies that import plastic packaging since almost all plastic packaging is imported on the Maldivian market.



Recommendation B

All companies that import plastic packaging should be defined as obligated parties

Second, the Mandatory Packaging Reporting Scheme needs to further specify those companies (or importers in case of the Maldives) that will be required to report. To this end, a certain threshold needs to be defined that separates companies that are required to report from those that are exempted from reporting requirements. The typical basis for such thresholds is the annual turnover of a company as well as its share of plastic packaging that are overall put on market. If possible, the threshold should be set on the basis of a preliminary assessment or rough estimates. Moreover, the setting of the threshold should ensure that the scheme covers the largest possible share of the market of plastic packaging and the resulting waste without however overburdening the regulatory authorities and/or micro-enterprises.



Recommendation C

The threshold for obligated parties should be based on the annual turnover a company and its share of plastic packaging on the market

KEY ACTORS	MoECCT	MCS	MIRA
OUTPUTS	<ul style="list-style-type: none">Definition of obligated parties, including thresholds (ideally based on available assessments and estimates of the plastic packaging market that justify the definition)Illustrative description of obligated parties with examples		

Action 2: Defining product coverage

The Mandatory Packaging Reporting Scheme also needs to define and precisely describe the types of plastic packaging on which the obligated parties need to report (product coverage). Three kinds of products are particularly important to capture in the reporting scheme in the Maldives:

1. Plastic packaging that is already known or suspected to contribute significantly to plastic waste in the Maldives, namely primary plastic packaging³ as it features the largest market share of plastic packaging in the Maldives.
2. Plastic packaging that is introduced as alternative to single use plastics in the Maldives.
3. Plastic packaging that is already (or will be) banned from being imported to the Maldives.



Recommendation D

The product coverage of should include primary packaging and packaging that replaces single-use or banned plastic packaging

³ Primary packaging contains the product, e.g. plastic bottles or plastic containers with food. Other forms of plastic packaging that feature however a relatively lower share than primary plastic packaging are service packaging (filled with products when these are sold), secondary packaging (boxes or containers that carry specific amounts of primary packaging) and tertiary packaging (large packaging items for storing and warehousing).

Altogether, this product coverage helps collecting and making available appropriate data for the data-backed and targeted revision and adaptation of already existing policies and for the data-backed and targeted formulation of new policies in the future.

Covering plastic packaging that is introduced as alternative to single use plastics helps controlling whether unintended shifts to environmentally harmful or unsustainable alternatives for single use plastics occur. Moreover, it helps developing policies that address the management of these alternatives once they become waste.

Covering packaging that is already (or will be) banned from being imported to the Maldives supports the monitoring and enforcement of already existing (or future) bans on imports of certain plastic packaging under the Single-Use Plastic Phase-Out Plan.

KEY ACTORS	 
	MoECCT MCS
OUTPUTS	<ul style="list-style-type: none">• Definition of product coverage• Illustrative description of covered products

Action 3: Development and establishment of administrative system

Any mandatory packaging reporting scheme requires an administrative system that ensures its effective operation. Such a system is usually based on two main pillars: a registry for obligated parties and a collection system for the data that needs to be reported under the scheme.

The registry serves to identify, record and hold accountable the obligated parties under the scheme in order to ensure their compliance. Each obligated party is required to join the registry and to enter all information about its business and activities that are relevant and necessary for the operation of the mandatory packaging reporting scheme.

The data collection system is the technical heart of the mandatory packaging reporting scheme. Here, obligated parties regularly submit their reports on the products that are subject of the Mandatory Packaging Reporting Scheme.

In principle, two separate systems can be operated or both systems can be integrated. In Singapore, for example, obligated parties register and report in a single system that is part of the online Waste and Resource Management System where a separate portal is run for the Singaporean mandatory packaging reporting scheme.

In the course of developing and establishing such an administrative system in the Maldives, two basic options exist. First, it could be integrated into the customs management system and software that the MCS currently operates. Like many other countries, MCS uses the Automated System for Customs Data (ASYCUDA) of the United Nations Conference on Trade and Development to manage its customs services. Second, a separate and new system could be set up. For example, data for the mandatory packaging reporting system could be collected from invoices that obligated parties (importers in the Maldives) submit to the MCS when declaring the goods that they import. This data is then validated by the MCS.

Hence, in order to prepare the development and establishment of an administrative system for the mandatory packaging reporting scheme, each option, its advantages and disadvantages should be thoroughly examined and assessed in a feasibility study and discussed with affected stakeholders, above all the obligated parties and the MCS.



Recommendation E

Options for the administrative system (in particular for the registry and data collection) should be examined and assessed in a feasibility study and discussed with stakeholders

KEY ACTORS	 MoECCT	 MCS
OUTPUTS	<ul style="list-style-type: none">• Feasibility study to identify the most appropriate system• Registry for obligated parties• System for submission of reports	

Action 4: Preparing and publishing a guidebook

Drawing on the previous steps, a guidebook needs to be prepared and published.⁴

The guidebook serves above all to inform all stakeholders about basic elements, definitions of terms and detailed requirements of the Mandatory Packaging Reporting Scheme. Typically, it features a chapter on the coverage of the mandatory packaging reporting scheme, including the definition and specification of companies that are required to report (obligated parties) and the goods or plastic packaging on which the obligated parties report (product coverage). Moreover, it needs to include a chapter on the reporting, including details on the procedure, methodology and forms for the reports by individual obligated parties. Finally, it might include chapters that inform about how to keep record of the reports and about penalties in case of non-compliance.



Recommendation F

The guidebook should include chapters on the coverage of the scheme (obligated parties and products) and the reporting (procedure, methodology and forms)

In order to facilitate the understanding of the mandatory packaging reporting scheme, it is advisable that the guidebook illustrates the requirements and their implications with adequate examples. Moreover, and drawing on the essentials of the guidebook, complementary presentations, briefings and other information material like a dedicated website⁵ or process flow diagrams that explain in an easily comprehensible manner the mandatory reporting scheme to affected stakeholders, in particular to private businesses that import plastic packaging, help facilitating compliance with the scheme (see also Action 8).

4 See for an example of such a guidebook: National Environmental Protection Agency Singapore. 2022. Guidebook on the Mandatory Packaging Reporting (https://www.nea.gov.sg/docs/default-source/mandatory-packaging-reporting/22020422_nea-mandatory-packaging-reporting-guidebook.pdf).

5 See for an example of such a website: National Environmental Protection Agency Singapore. 2023. Mandatory Packaging Reporting (<https://www.nea.gov.sg/our-services/waste-management/mandatory-packaging-reporting>).



Recommendation G

The guidebook should illustrate the requirements and their implications with adequate examples

KEY ACTORS	 MoECCT	 MCS
OUTPUTS	<ul style="list-style-type: none">• Guidebook for Mandatory Packaging Reporting Scheme• Textual and audio-visual presentations, briefings and other information material explaining the Mandatory Packaging Reporting Scheme to stakeholders, in particular private businesses	

Action Package 2: Strengthening Maldives Custom Services

- Action 5: Analysis of resource needs of Maldives Custom Services for implementation

Action 5: Analysis of resource needs of Maldives Customs Services for implementation

The effective and thorough implementation Mandatory Packaging Reporting Scheme is obviously an additional requirement for the MCS, resulting in a number of new tasks, for example the monitoring of compliance with the requirements and the validation of reports submitted by obligated parties. In order to ensure that the MCS has sufficient financial and human resources as well as adequate technologies, equipment and skills to satisfactorily meet this requirement and accomplish the related tasks, a report should be prepared that assesses the needs of the MCS, above all as regards costs for initial investments into technologies and equipment as well as recurring costs for operating the scheme, including financial and human resources as well as the continuous promotion, update and improvements of necessary skills among MCS staff.



Recommendation H

The needs assessment should consider necessary initial investments into technologies and equipment as well as recurring costs for operating the scheme

If the report reveals such needs, it should also identify opportunities for mobilizing the necessary new and additional resources to overcome any financing gaps. A conceivable source for additional financial resources might be the Maldives Green Fund and its revenue from the collection of a levy on plastic bags that started recently and is expected to generate MVR 48 million in total or MVR 2 per plastic bag (appr. US\$ 3,12 million in total or US\$ 0.13 per bag).

Stakeholders would need to be made aware of the additional requirements of MCS to implement a mandatory packaging reporting scheme. A presentation to the major government stakeholders would be ideal, along with the stakeholders being provided the documents related to the mandatory packaging reporting scheme implementation. So that they can share feedback and are engaged in the formulation process.



Recommendation I

Relevant stakeholders should be consulted in the preparation of the assessment and asked for feedback

KEY ACTORS	MoECCT	MCS
OUTPUTS	<ul style="list-style-type: none">Report that assesses MCS' need for additional financial and human resources, including one-time investment and recurrent operation costsIdentification of opportunities to mobilize new and additional resources (if needed)Pitch Deck to secure financing for MCS for mandatory packaging reporting scheme implementationStakeholder feedback report	

Action Package 3: Engagement of private sector and the public

- Action 6: Awareness and education campaign on obligations and processes under the Mandatory Packaging Reporting Scheme
- Action 7: Awareness and education campaign on benefits of the Mandatory Packaging Reporting Scheme

Action 6: Awareness and education campaign on obligations and processes under the Mandatory Packaging Reporting Scheme

The effective implementation and success of the Mandatory Packaging Reporting Scheme depends on the compliance of the obligated parties with its requirements. Compliance does however not only result from an effective monitoring system and enforcement measures in case of non-compliance, like penalties. In addition, compliance can and should be facilitated and ensured through a communication campaign that raises the awareness of affected stakeholders and that informs and educates them about the requirements of the scheme and their consequences for their actions, decisions and day-to-day business. This avoids unintended non-compliance due to lack of knowledge and understanding.

In this campaign, textual and audio-visual presentations, briefings and other information material explaining the Mandatory Packaging Reporting Scheme that were developed in Action 3 (Preparing and publishing a guidebook) can be used. Additional material, like training packages and booklets, as well as a dedicated

information system with clear and direct workflows for possible inquiries about the requirements and operation of the Mandatory Packaging Reporting Scheme should complement this material.



Recommendation J

The awareness campaign should use attractive textual and audio-visual materials

The campaign should first and foremost target the private sector, namely the obligated parties that would be subject to data disclosure and reporting requirements. Other actors might be third parties like custom brokers that carry out the customs documentation work and clearance for obligated parties.



Recommendation K

The awareness campaign should above all target obligated parties

This awareness campaign needs to go hand in hand with Action 7.

KEY ACTORS	MoECCT	MCS	NGOs Civil Society
OUTPUTS	<ul style="list-style-type: none">Overall strategy for campaignTraining packages for obligated parties and other affected actorsBooklet with clear informationClear and direct communication workflow for inquiries from obligated parties or other stakeholders about the requirements and procedures		

Action 7: Awareness and education campaign on benefits of the Mandatory Packaging Reporting Scheme

This action complements Action 8 by raising the awareness about the Mandatory Packaging Reporting Scheme among key stakeholders and the public and by informing them on its main benefits through a dedicated communication campaign.

The campaign should focus on communicating how the Mandatory Packaging Reporting Scheme contributes to the reduction of plastic waste and an improved management of the remaining plastic waste. Moreover, it should highlight the scheme's contribution to the Single Use Plastic Phase-Out Plan as the overarching framework in which the scheme is implemented as well as its functions in the context of the planned Extended Producer Responsibility Scheme. Overall, the communication campaign serves to generate support for the scheme among affected companies and the general public by highlighting the positive impacts of the Mandatory Packaging Reporting Scheme and the related policy changes. The campaign should however also inform about potential unintended negative effects and how they might be avoided, like the import of environmentally harmful or unsustainable packaging alternatives in response to the scheme or other related policy decisions.



Recommendation L

The awareness campaign should focus on benefits of the scheme and its relation to the Extended Producer Responsibility Scheme

KEY ACTORS	MoECCT	MCS	NGOs Civil Society
			
OUTPUTS	<ul style="list-style-type: none">Communication plan, including how data information will be represented visually and a tentative scheduleData and information sharing framework for government agencies, businesses, private sector consultants, NGOs and other interested actors		

Summary

Figure 3 Overview of action packages, actions and recommendations

Recommendation A

The design of the Mandatory Packaging Reporting Scheme should be aligned with the envisaged details of the planned Extended Producer Responsibility Scheme

Action Package 1: Setting up the basic system	
Action 1 Defining obligated parties, including thresholds	Recommendation B All companies that import plastic packaging should be defined as obligated parties Recommendation C The threshold for obligated parties should be based on the annual turnover a company and its share of plastic packaging on the market
Action 2 Defining product coverage	Recommendation D The product coverage of should include primary packaging and packaging that replaces single-use or banned plastic packaging
Action 3 Development and establishment of administrative system	Recommendation E Options for the administrative system (in particular for the registry and data collection) should be examined and assessed in a feasibility study and discussed with stakeholders
Action 4 Preparing and publishing a guidebook	Recommendation F The guidebook should include chapters on the coverage of the scheme (obligated parties and products) and the reporting (procedure, methodology and forms) Recommendation G The guidebook should illustrate the requirements and their implications with adequate examples
Action Package 2: Strengthening Maldives Custom Services	
Action 5 Analysis of resource needs of Maldives Custom Services for implementation	Recommendation H The needs assessment should consider necessary initial investments into technologies and equipment as well as recurring costs for operating the scheme Recommendation I Relevant stakeholders should be consulted in the preparation of the assessment and asked for feedback
Action Package 3: Engagement of private sector and the public	
Action 6 Awareness and education campaign on obligations and processes under the Mandatory Packaging Reporting Scheme	Recommendation J The awareness campaign should use attractive textual and audio-visual materials Recommendation K The awareness campaign should above all target obligated parties
Action 7 Awareness and education campaign on benefits of the Mandatory Packaging Reporting Scheme	Recommendation L The awareness campaign should focus on benefits of the scheme and its relation to the Extended Producer Responsibility Scheme

Further considerations

The Action Plan for implementing the Mandatory Packaging Reporting Scheme focused on plastic packaging as main product category. If implemented, it will provide the Maldivian government with much needed, accurate and reliable data on plastic packaging that is imported to the Maldivian economy and the related and expectable waste streams. This improves the overall ability of the government to adapt waste management policies and capacities accordingly. It helps monitoring and evaluating the results of already existing measures to reduce plastic waste, like the Single-Use Plastic Phase-Out Plan. Moreover, it might also help in identifying unintended and undesirable side effects of existing measures. Finally, it also helps developing new and tailored policies for reducing waste streams from other plastic products, such as caps and bans.

These effects and benefits need not to be limited to plastic packaging. Though the Mandatory Packaging Reporting Scheme in the Action Plan was designed for this product category it can be progressively scaled up to include other materials such as aluminum, tin, glass, cardboard etc. This is advisable given that any policy to reduce plastic packaging waste might have significant impacts on the material of packaging products that are put on the market and thus the resulting waste streams. Some of these impacts might be unintended and undesired from an environmental point of view but can be detected through an appropriate Mandatory Packaging Reporting Scheme that covers more than plastic packaging. Other impacts might be less problematic in terms of their environmental impacts but still have significant implications for waste streams and waste management that need to be taken into account and responded to in the development of waste management capacities. For example, the existing ban on plastic containers for carbonated and non-carbonated beverages with a capacity of less than 500 ml has led some brands to offer and sell their beverages only in 500 ml plastic containers, which does not reduce the actual amount of plastic waste. Other brands shifted to glass bottles, TetraPak or aluminum cans. This creates new waste streams that the Maldivian waste management system has to cope with and to be adapted to.



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