What is Recycling Market Development?

Defined actions to enhance the economic vitality of the reuse/recycling industries

**Supply**
- Increase volume
- Improve dependability
- Enhance quality
- Improve affordability

**Demand**
- Grow demand for recyclable materials and recycled content products

**Innovation**
- Increase recycling efficiencies & opportunities
Increasing Demand

- Retention of existing end markets and intermediate processors feeding these markets
- Market enhancement/expansion
- Feedstock conversion
- New business attraction – stimulating development of new businesses that use secondary feedstocks
History of Recycling Market Development in USA

U.S. EPA

- Primary initiative: Jobs through Recycling Program (JTR)
  - > $5 million for state Recycling/Reuse Business Assistance Centers (RBACs) and Recycling Economic Development Advocates (REDAs)
  - Funding of Recycling Technology Assistance Partnership (ReTAP) operated by Clean Washington Center and the National Recycling Coalition
  - Support for the Chicago Board of Trade for development of a recyclable commodities trading system – through Recycling Means Business
States

- Some state efforts as early as 1990/91 – e.g., NC, WA, NY
- Over 18 states with recycling market development offices/programs
- Often environmental and economic agency involvement
- “Recycling Means Jobs!”
States that Still have Recycling Market Development Staff and Programs

- California
- Michigan
- Minnesota
- North Carolina
- Pennsylvania
- South Carolina
- Others??

There is much to be learned from existing recycling market development programs.
Nonprofit Recycling Market Development Organizations

- Clean Washington Center
- Chelsea Center for Recycling and Economic Development (Massachusetts)
- Materials for the Future Foundation (California)
- Pennsylvania Recycling Markets Center
- Southeast Recycling Market Development Council
NERC Recycling Market Development Activities

- Recycling Economic Impact Study
- Recycling Investment Forums—4 consecutive years with David Kirkpatrick and JTR funds (30% of participating businesses found financing)
- Research on financing barriers and opportunities, training for economic developers and financiers, training for businesses on how to access funding
- Work with Yellow Pages Publishing Companies to use recycled content
- Work with Newspaper Association and NY State to get regional newspapers to use recycled content
- Recycling markets database for NY
- Compost marketing assistance for farms in four states
- Current work is specific to glass—glass committee to address glass barriers and opportunities
RSE USA Team Projects

- **Pennsylvania** – Supply and Demand Analysis, Recycling Market Development Strategic Plan, Recycling Markets Center Business Plan
- **Texas** – Supply and Demand Analysis, Recycling Market Development Strategic Plan, Environmentally Preferable Purchasing Guidelines
- **Massachusetts** – Supply and Demand Analysis, Identification of Potential Market Development Opportunities and Barriers, Recycling Market Development Strategic Plan
- **California** – Waste Tire Market Studies and Tire-Derived Business Assistance Program Support
- **New York** – Strategy to Market Scrap Tires
RSE USA Team Projects, Cont’d

- **South Carolina** – Stakeholder Session for Residential Mixed Paper Markets
- **North Carolina** – Supply and Demand Analysis, Recycling Market Development Strategic Plan
- **Arizona** – Evaluation of Recycling Market Development Program
- **12 states** – Recycling Economic Impact Studies
- **U.S. EPA** – Evaluation of Recycled Plastic Lumber for Marine Structural Applications
- **U.S. EPA** – Assessments of Needs and Opportunities for Jobs Through Recycling Program, JTR Program Evaluation
Pennsylvania Recycling Market Center Project

- **Phase I**
  - Processor Assessment
  - Materials Supply and Demand Analysis
  - Stakeholder Summit
  - Market Strengths, Weaknesses, Barriers, Opportunities Assessment
  - Organizational Review of Capabilities

- **Phase II**
  - Strategic Plan
  - 3-Year Business Plan
  - Recycling Markets Center Implementation Plan
  - RMC Evaluation Plan
Overcoming Market Inefficiencies/Barriers – The Focus of RMD Efforts

- Imperfect flow of information
- Uncertainty about future markets
- Mispricing due to undervaluing public benefits and costs
- High transaction costs
- Difficulty reaching economies of scale
- Aversion to risk
- Unrestricted nature of Information
- Onerous regulations
Tools for Recycling Market Development

- Information dissemination
- Technical and facilitation assistance
- Research and demonstration projects
- Buy-recycled promotional programs/policies
- Financial assistance – Loans, loan guarantees, grants, tax incentives
- Policies/regulations (and/or relief from polices/regulations)
Examples of Policy Tools

- Minimum content laws (or voluntary agreements)
- Streamlining of permitting requirements
- Procurement laws and executive orders intended to expand government purchase of recycled content products
- Fee mechanisms such as EPR or retail fees to fund state programs
- Tax breaks/incentives e.g., for recycling equipment purchases
Key Principles of RMD Strategies

Needs Based
Integrated Approach
Appropriate Scale
Right Tool for the Job

Strategies Can Be Material-Specific or Cross-Material
State Recycling Market Development System

Market Information System

Resources – Staff, Funding & Tools

Ongoing Strategic Planning

Ongoing Communication & Coordination

Means to Evaluate Impacts
Potential Role of Local Governments

- Work to improve availability/cost/quality of supply
- Provide favorable contract terms
- Provide zoning/tax incentives
- Provide permitting assistance/regulatory relief
- Buy recycled content products
- Take steps to mitigate financial uncertainty
- Help businesses identify sources of feedstock
- Assist with development of business plans
- Assist with developing local resource partnerships
Potential Role of Private Sector

- Partner with gov’t. entities and NGOs to identify and address priority opportunities
- Partner on investment in processing/reclamation capability (cost/risk sharing)
- Fund recycling market development programs and initiatives
- Support selected policy mechanisms such as minimum content legislation
- Promote and buy recycled content feedstocks and products
- Design for recyclability
- Address global opportunities