



Kosrae Trash Talk

Kosrae Recycling Project Newsletter
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Kosrae Passes New Container Deposit Legislation

The Kosrae State Legislature has passed legislation that allows deposits to be placed on a variety of different items so that they can be easily recovered for recycling and export. The Bill contains Regulations that specify deposit amounts and refunds to be paid, for example on aluminium cans, PET and glass bottles, and lead-acid batteries.

The legislation was a major amendment to existing legislation that levied a deposit of 5¢ on each aluminium can imported into Kosrae state. The existing laws had provided for a 5¢ refund, but this did not allow for administration of the refund system, resulting in a collapse of the refund system two years ago. Since then, 5¢ deposits have been building up in the designated 'Recycling Fund' whilst no refund mechanism was in place.

The new legislation has increased the deposit for cans to 6¢, thus creating a 1¢ handling fee per can which can be recovered by the recycling system operator. The handling fee is the difference between the deposit and the refund. The recycling operator pays out the specified refund on return of the item – for example 5¢ on an aluminium can – and claims back the 6¢ deposit from the Recycling Fund on a reimbursable basis.

The legislation is written in such a way that other specified items can be added to the system at a later date should the Government so decide. This is a very progressive piece of legislation for any country, and matches best practise world-wide in solid waste management.

Can Refunds Start After Two Year Break

Kosrae had a container deposit law in the past, and this provided for a 5¢ deposit on aluminium cans entering the State, with a 5¢ refund payable on return. The system had been operating since the early 1990's, run by the Kosrae Community Action Program (KCAP), but the lack of any handling fee meant that running costs were not covered. However, many residents of Kosrae continued to collect cans in the expectation that one day the system would be restarted. Now their faith has been rewarded.



Faith rewarded with cash!



Lines of trucks at the new Recycling Yard

The Kosrae Recycling Project has succeeded in re-starting the 5¢ can refunds under the existing legal framework, and prior to the introduction of the new legislation which includes the handling fee of 1c per refunded item. This has introduced some logistical challenges due to the large stockpiles of cans held on the island, but the project staff are managing the system very well during this initial phase.

The Logistical Challenges of Starting a Container Deposit System

The hardest part of Container Deposit Legislation introduction is usually the start-up phase of the Refund system. Getting Legislation through can be hard if political opposition is encountered, but in Kosrae, political support for the new Bill was widespread and the legal process went smoothly. But where there are a large number of existing cans in circulation that need to be collected, this can be a problem that is solved through careful implementation.

There are two ways that refundable items – such as aluminium cans – may be in large numbers ready for refund: one is that there is a large amount of existing can litter; the other is where a recycling system has failed, but can stockpiles are still held and added to in the expectation of re-start. This latter case is what occurred in Kosrae.

To overcome the challenge, the Project identified every hamlet on the island, and then uses the radio to inform people from which places cans will be accepted on what day. It is expected that it will take three to four months to clear the stockpiles, as the capacity of the system is limited by processing ability, ability to store uncrushed cans, and cash flow constraints. It was decided that the fairest approach was to slowly work round the island, systematically, from the area adjoining the recycling yard (which is at one end of the road, at the port), all the way to the far end of the road.

On several days far more people have arrived with cans to refund than the system can pay for, but the project has a very strict policy of only accepting those cans that have been paid for. To do otherwise in the current situation would likely lead to accounting difficulties. It is always difficult to send people away – to come back another day – but close cooperation with the radio broadcasts has generally ensured that those who come from villages that were advised to come with their cans, can be paid.



Measuring of cans refunded

The system is currently refunding 20,000 cans per day;

meaning refund

payments of \$1,000 per day are paid out in cash. This is another logistical challenge: aside from the accounting and monitoring system needed (which we will look at elsewhere) keeping the cash payment and subsequent refunds from the original deposits circulating through the system is itself a careful operation.

Can Press Arrives from New Zealand

The can baling press ordered by the project has arrived from New Zealand. The unit is a small item, but one that has the capacity to easily deal with the expected normal flow rate of cans in Kosrae. It is also a low energy user: whilst rated at 1.5kW, in reality it is using more like 500W, which means that electricity costs are low. This is a very important point in small Islands where electricity is often expensive. The press gives about 10 tonnes of cans per 20ft container; bigger presses can get nearer 15t, but for some scrap metal presses they may require several cycles when filled with light, airy, aluminium cans, and this is expensive on electricity. Also, where can flows are low, a large press can mean long times to fill a container, which can impact the recycling business cash flows as the time between shipments (and thus payment) is long.



Feeding the Minibaler