

***Trial Scheme with 5 cents/plastic bottle returned by cleaners deemed a great success.  
HK\$3.5m in subsidies exhausted early. 1,030 tons of plastic bottles collected.***

**Key learnings: Space needed for recycling facilities in the community**

- Existing networks of cleaners and recyclers highly effective in collecting volumes of used plastic at low cost
- SMRFs (Small Material Recovery Facilities) are needed throughout Hong Kong to support recycling

**Success of Recycling Fund: Neighbourhood Bottle Reward Scheme**

The one-year trial scheme, “Recycling Fund: Neighbourhood Bottle Reward Scheme” funded by the Recycling Fund, comes to an end early. The scheme offers a 5 cents reward for plastic bottles. Subsidy ran out one month early due to unexpected success. Collection and separation of plastic bottles ran for 11 months from Nov 2020 - Sep 2021. Cleaners and recyclers are left a bit surprised that collection period ended early and there will be no additional subsidy after the successful trial scheme ends in this month.

From mid-Nov 2020 to Aug 2021, the Scheme has subsidized the collection and recovery of 1,030 tons of plastic beverage bottles (est. 40 million pcs bottles), more than double the project recovery target of 500 tons. The “Recycling Fund: Neighbourhood Bottle Reward Scheme” total budget of \$5.6M was supported by Recycling Fund. Over 1,000 cleaners and 43 recyclers benefitted from this program. The Scheme achieved 179.75 tons in the last month. Participation of recyclers grew significantly throughout the project, demonstrating stakeholders’ confidence in the effectiveness and economic benefit of our scheme. In a competitive market, there will be participation when there is a financial incentive. The volume collected through the scheme reinforced that a rebate of 5 cents is a good first step in growing the return of plastic bottles.

**Results of the Neighbourhood Bottle Reward Scheme supported by the Recycling Fund (up to Aug 2021)**

	<b>Nov 2020</b>	<b>Aug 2021</b>
<b>Scheme Period</b>	Start: 1 <sup>st</sup> month	Up to: 10 <sup>th</sup> month
<b>Total No. of Active Participants (Recyclers)</b>	12	43
<b>Recovery Amount per Month</b>	3.6 tons	179.75 tons

**Small Incentive, Strong outcome**

The Scheme achieved a high volume at a low price. Recovery is the most efficient when it is transacted in a convenient location near homes and businesses. However, in such locations commercial space is expensive, especially with street level frontage. However, by utilizing well-established networks of cleaners, collectors and recyclers, the Scheme was able to collect large volumes of recyclables at low cost. This winning combination of factors allowed for bulk collection to take place efficiently, while keeping system costs low.

**Small material recovery facilities using public space are key to success**

The Neighbourhood Scheme has shown that higher recovery volumes occur in Small Material Recovery Facilities (SMRFs) such as recycling shops, recycling trucks, and recycling pop-ups. The successful pop-ups are located close to the source (consumers), and at the centre of each catchment area. They are temporary stations where a recycler sets up in a parking lot or next to the refuse collection point (RCP) of a housing estate for a limited period on specific days. They are convenient hubs for cleaners and have existing vehicular access for trucks. At the end of the day, the station is packed up and the collected recyclables are transported for processing at the factory.

*“Any opinions, findings, conclusions or recommendations expressed in this material/ event do not reflect the views of the Government of the Hong Kong Special Administrative Region, the Advisory Committee on Recycling Fund or the Recycling Fund Secretariat.”*

## Comparison of Different Recycling Schemes<sup>1</sup>

	Plastic Recycling Scheme	GREEN @Community	RVM Pilot Scheme	RF ISP project: Mixed Plastic Scheme <sup>2</sup>	Neighborhood Scheme
Types of recyclables collected	Mixed plastics	8 Types: Mixed plastics, paper, metals etc.	Plastic beverage bottles	Mixed plastics	Plastic beverage bottles
Cost to recover 1 tons of recyclables (\$)	34,064.59	268,056.88	33,275.26	8,244.44	3,017.74
Est. cost to recover one unit plastic bottles (\$)	0.85	6.70	0.83	0.21	0.08

### Housing Authority and Property Managers to Make Space for collecting and sorting recyclables

SMRFs are important components in the recycling system. They provide space for recyclables to be traded, collected, sorted and stockpiled. These are where most of the volume of recyclables came from in the trial Scheme. Specifically, the pop-ups can be focused on to grow recycling. However, risk of negative public perception of these operations and bureaucratic obstacles will need to be managed. Government and Property Management Office (PMOs) are urged to find space for SMRFs within or next to their properties. We urge PMOs or Housing Authority to offer support to help cleaners and recycling operators to create temporary or pop-up facilities when permanent facilities are lacking.

<sup>1</sup> Sources used for data in Table 2: Plastic Recycling Pilot Scheme: [https://www.epd.gov.hk/epd/english/news\\_events/notices/notices\\_191024a.html](https://www.epd.gov.hk/epd/english/news_events/notices/notices_191024a.html), [https://www.epd.gov.hk/epd/english/news\\_events/notices/notices\\_200519a.html](https://www.epd.gov.hk/epd/english/news_events/notices/notices_200519a.html), <https://eastern.successgrand.com.hk/>, <https://kwuntong.successgrand.com.hk/>, <http://shatin.lauchokee.com.hk/>; Green@Stores/Stations: Respective Facebook pages of Green stores and stations, [https://www.epd.gov.hk/epd/english/news\\_events/notices/notice\\_archives.html](https://www.epd.gov.hk/epd/english/news_events/notices/notice_archives.html); [https://www.epd.gov.hk/epd/english/news\\_events/notices/notices.html](https://www.epd.gov.hk/epd/english/news_events/notices/notices.html); RVM Pilot Scheme: <https://www.hkrvm.com.hk/hk/>, [https://www.epd.gov.hk/epd/english/news\\_events/notices/notices\\_200824a.html](https://www.epd.gov.hk/epd/english/news_events/notices/notices_200824a.html), Tender Reference No.: WM 21065; Recycling fund ISP project: The Federation of Environmental and Hygienic Services Limited: [https://www.recyclingfund.hk/images/ap\\_list/industry\\_e.pdf](https://www.recyclingfund.hk/images/ap_list/industry_e.pdf); Neighbourhood Scheme: *Drink Without Waste* data

<sup>2</sup> Project carried out by The Federation of Environmental and Hygienic Services Limited