

## Financial Mechanisms to Reduce Single-Use Plastic Bags

SwitchMed II - Egypt

Egypt is facing significant challenges with the unchecked consumption and production of single-use plastic bags (SUPBs). These plastic bags are a major contributor to environmental pollution, littering streets, clogging waterways, and filling landfills where they take thousands of years to decompose. In response, the Egyptian government has implemented several regulatory measures to reduce the consumption of SUPBs, aiming to promote circularity within the economy.

# The Center for Environment and Development for the Arab Region and Europe (CEDARE)

**CEDARE** is an international inter-governmental organization established in 1992. It aims to promote sustainable development by integrating environmental considerations into policies and practices across five priority areas: water resources management, land resources management, information technologies, sustainable growth, and environmental governance. CEDARE emphasizes public participation and strives to implement the Global Agenda 2030 for Sustainable Development.









The UNEP and CEDARE partnership under the EU-funded SwitchMed Programme engaged in the development of a report on financial mechanisms to reduce the consumption of Single-Use Plastic Bags (SUPBs) in Egypt. The report examines economic instruments and regulatory measures to curb plastic pollution, promote sustainable alternatives, and support a circular economy.

#### **REGULATORY FRAMEWORK**

- The Egyptian government has taken significant steps to regulate the
  consumption of Single-Use Plastic Bags (SUPBs) through the Waste
  Management Law 202/2020. This law sets strict standards, prohibiting the
  manufacture, import, and export of SUPBs unless they meet the specific
  criteria established by the Egyptian Standardization Organization (EOS),
  including a minimum thickness of 50 microns.
- A national strategy targets a reduction in per capita SUPB usage from 350 to 50 bags by 2030. The strategy includes banning free distribution, enforcing thickness standards, and mitigating social impacts through education and alternative solutions.

#### **KEY CHALLENGES**

- The strong **economic influence** of the plastic industry and current economic conditions hinder the implementation of taxes on virgin plastic materials.
- **Regulatory enforcement** is weak, particularly in applying financial incentives and pricing mechanisms for SUPBs.
- **Market Dynamics:** The inclusion of SUPB producers in incentive programs dilutes efforts to shift market demand towards sustainable alternatives.
- There is a critical need for effective communication strategies to educate consumers on the environmental impact of SUPBs and the benefits of reusable alternatives.









































#### **KEY STASTICS**

3% accounts for country's GDP	12.5 billion USD consumed
40% of the total plastic production	14 billion single-use plastic l
bags per capita annually	50 microns for minimum thic

#### **FINANCIAL MECHANISMS**

Several financial mechanisms are highlighted that can be used to reduce the consumption of SUPBs in Egypt:

- Taxes on Virgin Plastic Material: This upstream financial instrument targets the raw materials used in plastic production. Tunisia and Morocco have implemented such taxes, using the revenue to improve their waste management systems. However, imposing such a tax in Egypt may face challenges due to economic conditions and the influence of the plastic industry lobby.
- Extended Producer Responsibility (EPR): EPR is an environmental policy that holds producers responsible for
  the end-of-life management of their products. The Waste Management Law includes provisions for
  establishing EPR schemes, but these are complex systems requiring careful design and stakeholder
  consultation.
- Financial Incentives for Producers of Alternatives: The Waste Management Law provides for financial incentives to encourage the production of alternatives to SUPBs. However, clear standards and careful design of these incentives are necessary to avoid favoring SUPBs or less environmentally friendly alternatives.
- **Pricing of SUPBs:** Imposing charges or levies on SUPBs at the point of sale is a common policy used globally to reduce consumption. Egypt's Waste Management Law bans the free distribution of SUPBs, but specific pricing mechanisms and enforcement strategies have yet to be implemented.

#### **AVAILABLE ALTERNATIVES TO SUPBS**



**Woven Bags:** Durable and reusable, woven bags are made from interwoven fabrics or polypropylene and are favored for their strength and longevity.



**Non-Woven PP Bags:** Made from synthetic fibers, these bags mimic the texture of fabric but can be less durable and may pose similar environmental risks as SUPBs without proper standards.



**Paper Bags:** Biodegradable and often recyclable, paper bags are seen as a more environmentally friendly alternative but are less durable than other options.



**Cotton Bags:** Extremely durable and intended for multiple uses, cotton bags require significant resources to produce and must be reused many times to offset their environmental impact.



**Biodegradable Plastic Bags:** These bags are designed to break down more quickly than conventional plastics but remain single-use and may not fully address litter and environmental issues.

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### **United Nations Environment Programme**

The United Nations Environment Programme (UNEP) is the leading environmental authority in the United Nations system. UNEP uses its expertise to strengthen environmental standards and practices while helping implement environmental obligations at the country, regional and global levels. UNEP's mission is to provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations.



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The SwitchMed programme is funded by the European Union (EU) and implemented by UNEP. It aims at achieving a Circular Economy in the southern Mediterranean by changing the way goods and services are produced and consumed. To achieve this, the SwitchMed provides tools and services directly to the private sector, supports an enabling policy environment, and facilitates exchange of information among partners and key stakeholders. <a href="https://www.switchmed.eu">www.switchmed.eu</a>