

## **PRAISE Introduces the Packaging Recovery Organization (PRO) Program to Answer Challenges of Circular Economy Practices in Indonesia**

**Jakarta, August 25<sup>th</sup> 2020** – PRAISE (Packaging and Recycling Association for Indonesia Sustainable Environment), together with a number of other stakeholders, holds a virtual launching of the Packaging Recovery Organization (PRO) program which aims to address the challenges of waste management and circular economy practices in Indonesia.

The virtual launch illustrates how PRO provides innovative solutions that respond to various issues in the process of handling packaging waste in Indonesia, by involving both the formal and informal sectors to create an integrated system. The synergy and commitment formed through a multi-stakeholder approach is an industry response that aligns with the government's efforts to improve the waste management system and circular economy implementation in the country.

According to data from the Ministry of Environment and Forestry, as of February 2019, the total national waste generation reached 175,000 tons per day, equivalent to 64 million tons per year<sup>1</sup>. Furthermore, the urgency of waste management amid the current global pandemic is increasingly felt. The Indonesian Environmental Scientists Association (IESA)<sup>2</sup> revealed a surge in waste generation of around 23 tons per day from March to May, or by 70% compared to before the pandemic. Relevant to the situation, the PRO program which was formed during the COVID-19 pandemic is a form of commitment to support the realization of sustainable waste management practices.

Present at the launch, **Luhut Binsar Pandjaitan, Coordinating Minister for Maritime Affairs and Investment of the Republic of Indonesia** expressed his appreciation and support for the PRO program initiated by PRAISE. "The Government of Indonesia has targeted a reduction in the generation of plastic waste by up to 70% in the ocean by 2025, and free from plastic waste leakage into the oceans by 2040. We aim to reach this target by implementing several programs related to specific waste management, which requires special organization based on its characteristics, concentration, and/or volume. Needless to say, we truly hope that the presence of PRO will have a positive contribution to achieving this target."

Through the Extended Stakeholder Responsibility (ESR), PRAISE engages various stakeholders to gain different perspectives, ensuring the success of the PRO program to become gears of economic, social, and environmental change. As an important component in ESR, PRO has an operational framework that is adapted to the Indonesian context, as follows:

- PRO is established in 2020 and will operate as a non-profit organization that is managed professionally and independently.
- PRO activities consist of: *category A* for polyethylene terephthalate (PET) packaging, which aims to build a Recycled or End-Products Market; *category B* for used beverage cartons (UBC), flexibles, and high-density polyethylene (HDPE), for capacity development of the collection system; *category C*, which includes education to the public.

<sup>1</sup> *Direktorat Pengelolaan Limbah, Sampah, dan Bahan Beracun Berbahaya (PSLB3), KLHK*

<sup>2</sup> *The Strait Times: Indonesia Struggles with Mounting Medical Waste From COVID-19, Raising Infection Fears.*

- In 2020, PRO will focus on handling packaging materials in the form of PET plastic with a recycling target of 60%. Then, in 2021 onwards, PRO will focus on handling other packaging materials, namely UBC, flexibles, and HDPE.
- In 2021, PRO will expand opportunities for membership expansion to increase the number of stakeholders involved.

"We hope that the PRO initiative can provide new perspectives and innovation in addressing the many challenges faced in waste management and help accelerate the practice of an ideal circular economy in Indonesia. We also hope that the government, industrial sector, and other informal and semi-informal sectors can take an active part in this initiative so that we can together create a sustainable Indonesia," said **Karyanto Wibowo, Chairman of PRAISE**.

The Indonesian Central Bureau of Statistics (BPS) identified that the problem of waste generation in Indonesia has the potential to accelerate global warming and climate change<sup>3</sup>. When analyzed further, the absence of a rigid system and integration results in a lack of choice for consumers when managing their waste. Households and small industries are forced to dispose of waste in ways that are harmful to the environment, either by burning, dumping into the surrounding waterways, or dumping on the ground by burying. "The optimal implementation of a circular economy, as implemented by PRO, can certainly help the sustainability of waste management practices in Indonesia, especially in waste management that recycles plastic waste into other useful materials. Apart from existing policies and regulations, as well as continuous education to the public, good integration between all stakeholders involved will be needed to achieve the target by 2025," explained **Rosa Vivien Ratnawati, Dirjen PSLB3, Ministry of Environment and Forestry of the Republic of Indonesia**, who made her presence at the virtual event.

Waste generation issues, as it happens, has the opportunity to be further utilized in order to provide added value to the supply chain, through circular economic practices. It is proven that in 2017, circular economy practices in 5,244 waste banks across 34 provinces in Indonesia succeeded in creating job opportunities and new fields of work for the surrounding communities<sup>4</sup>. **Khofifah Indar Parawansa, Governor of East Java Province**, who also participated as a guest speaker at the panel discussion, added that because of the opportunities and potential identified by East Java Province, one of which is in the city of Surabaya, the Extended Stakeholder Responsibility (ESR) initiative can be implemented. Therefore, it is hoped that the PRO program can succeed in becoming an engine of economic, social, and environmental change in East Java. "With the PRO program as a collective effort from the industry, I am optimistic that it will be able to provide socio-economic and environmental benefits from the practice of a circular economy. The hope is that in the future, this program will be developed in other districts/cities in East Java so that the benefits can be felt by a wider community," said Khofifah.

The PRO program has been successfully implemented in many countries and continents, such as Europe, Mexico, and South Africa. In Europe, PRO consists of 31 member countries known as "The Green Dot" and receives contributions from around 150,000 companies as licensees. The program managed to create more than 400 billion items that are packaged per year, registered in 140 other countries. Products that have "The Green Dot" label or logo on their packaging indicate a financial contribution that has been paid to the company for the restoration of national packaging<sup>5</sup>.

<sup>3</sup> *Statistik Lingkungan Hidup Indonesia 2019 oleh BPS Indonesia*

<sup>4</sup> *The Implementation of Circular Economy in Indonesia. Best Practices – EU Indonesia Business Dialogue 2018*

<sup>5</sup> *PRO-E.Org: Packaging Recovery Organization Europe*



PRO in Indonesia is an initiative of six companies that are also members of PRAISE, namely Coca-Cola Indonesia, Danone Indonesia, PT Indofood Sukses Makmur Tbk, PT Nestle Indonesia, Tetra Pak Indonesia, and PT Unilever Indonesia Tbk.

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#### **About PRAISE**

PRAISE (Packaging and Recycling Association for Indonesia Sustainable Environment) or Association for Packaging & Recycling for Sustainable Indonesia was first established in 2010. PRAISE was launched to strengthen its commitment to encourage the creation of packaging waste management in Indonesia that is holistic, integrated and sustainable. PRAISE has three main focus areas namely Advocacy, Research & Education, and Partnerships & Collaboration. PRAISE was founded by Coca-Cola Indonesia, Danone Indonesia, PT Indofood Sukses Makmur Tbk., PT Nestle Indonesia, Tetra Pak Indonesia, and PT Unilever Indonesia Tbk.

Further information about PRAISE can be accessed at [www.praiseindonesia.com](http://www.praiseindonesia.com)

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