RTR Factsheet, february 2024

A COMPREHENSIVE OVERVIEW OF THE CURRENT REPAIR INCENTIVE SYSTEMS: REPAIR FUNDS AND VOUCHERS

By Katrin Meyer und Magdolna Molnár

More and more cities, regions and countries are introducing financial repair incentive schemes in the form of repair vouchers. While the objectives of the various schemes are similar, their implementation varies in many ways. This factsheet provides a comprehensive overview of the current status of various existing financial repair incentive schemes in Europe. In addition to a comparison of the schemes, it also contains an overview of experiences and adjustments made so far, which can be helpful for all stakeholders who are about to introduce a repair incentive scheme.

Everyone is talking about the repair vouchers

"Saving resources should pay off!" Last year over 71,000 people, together with the Runder Tisch Reparatur, the Inkota Network, and many other supporting organizations, demanded a repair voucher from the German federal government. In order to make repairs more affordable and rewarding, the EU institutions also propose establishing national "repair funds," through which, for example, repair vouchers could be implemented.

A repair voucher is a financial incentive measure introduced by cities, federal states, or countries to encourage citizens to have defective or damaged items repaired rather than discarded and replaced with new ones. Typically, a repair voucher scheme includes financial support or discounts for repair services. This can take the form of direct subsidies, discounts, or vouchers. The introduction of repair vouchers has the potential to strengthen awareness of sustainable consumption and promote the longer use of products.

While the goals of existing repair voucher systems are similar, their implementation varies in many ways. They differ in terms of maximum amount of funding, eligible products and repairs, certification criteria for repair workshops, the handling of funding, or the source of financing. There are many different approaches and ways to strengthen the repair culture while boosting the local repair economy.

RUNDER TISCH



Basic information

Start	Eligible products	Amount of funding	Per person	Legal framework			
Austria							
04/2022	Electrical and electronic devices	Max. 200€ or 50% of the invoice amount (and 30€ for cost estimate)	No limit	<u>§ 24 Abs 1 Z 7</u> <u>Umweltförderungsge</u> <u>setz (UFG)</u>			
France							
12/2022	Selected electrical appliances, clothing and shoes	Depending on the type of device, between €7 and €50, e.g. €10 for repairing a drip coffee maker and €50 for repairing a laptop	No limit	<u>Art. L541-10-4 Loi</u> <u>anti-gaspillage pour</u> <u>une économie</u> <u>circulair</u>			
Thuringia	Thuringia						
06/2021	Electrical and electronic devices	Max. 100€ or 50% of the invoice amount (minimum invoice amount: 50€, for Repair Cafés 25€)	Max. 100€ per year	Grant agreement with Consumer Association Thuringia			
Saxony			•				
11/2023	Electrical and electronic devices	Max. 200€ or 50% of the invoice amount (minimum invoice amount: 75€)	Up to 2 repairs per year	Funding guideline repair bonus/2023			
Starnberg	9						
01/2022	Standard household electrical appliances	Max. 50€ or 20% of the repair costs	50€ per year				
Vienna							
Autumn 2020	All items repaired by repair businesses within the Vienna Repair Network, excluding electrical and electronic appliances	Max. 100€ or 50% of the invoice amount and max. 55€ for cost estimates	No limit	<u>Funding guideline</u> <u>City of Vienna</u>			
Graz							
2017	(1) Costs for running repair cafés; (2) until 2023: Repairs of electrical appliances and accumulators	(1) Up to €1,200 per Repair Café per calendar year; (2) until 2023: max. €100 or 50% of the invoice amount	(2) until 2023: max. 100€ per calendar year	Guideline of the municipal council dated 16/11/2023 for the promotion of repair measures			
Aschaffe	nburg		1	1			
2024	(1) Electrical and electronic devices (2) Costs for conducting Repair Cafés	(1) 20% of the invoice amount up to a maximum of €50 per repair (2) €50 per opening day	Up to 2 repairs per year	Decision of the Committee for the Environment and Climate Protection on 18 September 2023			
District o	District of Miltenberg						
10/2022	Standard household electrical appliances	€20 for an invoice up to €150, €40 for an invoice over €150. The maximum subsidy is 25% of the invoice amount. Minimum invoice amount: €50. Repair cafés receive a flat-rate subsidy of €20 per repair.	Once per quarter. Devices of the same type only once within 12 months	Resolution of the Committee for Nature Conservation and Environmental Protection of 12/07/20222			



Funding source and duration of the programme

Time frame	Funding source	Total/Annual budget	Budget per capita per year				
Austria							
Vouchers can be applied for as long as budget is available, but no later than 31 March 2026	Funds from the EU recovery fund "NextGeneration EU" as part of the Austrian Recovery and Resilience Plan	130 million for 4 years (corresponds to € 32.5 million per year)	€3,63				
France							
ongoing	Fee under Extended Producer Responsibility (EPR)	2022: € 22 million, 2023: €41 million	2022: €0,32; 2023: €0,61				
Thuringia							
Funding period 3.0 ended. New period will start in 2024.	Budget of the Thuringian Ministry for the Environment, Energy and Nature Conservation	2021: €500,000; 2022 and 2023: €875,000	2021: €0.23; 2022 and 2023: €0.41				
Saxony							
November 2023 until at least December 2025	Budget of the Saxon State Ministry for Energy, Climate Protection, Environment and Agriculture€1.25 million per year		€0,31				
Starnberg							
Since January 2022	Budget of the Stamberg waste management company	2022: €5,000 for private individuals and €3,000 for repair cafés	€0,22				
Vienna							
Autumn 2023 to 2027 (during campaign periods)	Municipal budget	1.25 million (equivalent to €250,000 per year)	€0,13				
Graz							
Until 31.12.2023. There is no funding from the City of Graz as long as there is comparable funding from the federal government or state	-	-	-				
Aschaffenburg							
2024 (until funding is exhausted)	Municipal budget	(1) €6,000 (2) €1,500	€0,09				
District of Miltenberg							
since October 2022	District budget	€4,000	€0,03				



Managing entity	Application process for the funding	Criteria for participating workshops				
Austria						
Kommunalkredit Public Consulting (KPC)	1. Application for the voucher, 2. Presentation of the voucher at the business, 3. Settlement of the entire invoice at the business, 4. Submission of the invoice by the business to the KPC, 5. Transfer of the credit to the account of the customer by the KPC	Branch in Austria and possession of one of the business licenses listed in the application or exercising one of the listed freelance businesses. After examination and approval of the online application by the managing entity, businesses are listed as partner businesses on the funding information website.				
France						
Eco-organisations Ecologic, ecosystem and Re_fashion	After a repair at an approved repair business, the reimbursement amount is deducted directly from the invoice and does not need to be separately requested.	"QualiRépar" label. Certification involves a seven-step qualification process.				
Thuringia						
Consumer Association Thuringia	The subsidy is disbursed after the repair has been completed and the invoiced amount has been paid by the consumer, the invoice for reimbursement has to be submitted online or by mail.	none				
Saxony						
Saxon Development Bank (SAB)	The subsidy is disbursed after the repair has been completed and the invoiced amount has been paid by the consumer, reimbursement exclusively online through a platform (automated processing).	Verified registration in the Chamber of Crafts and Chamber of Commerce and Industry				
Starnberg						
Waste management company Starnberg	The subsidy is disbursed after the repair has been completed and the invoiced amount has been paid by the consumer, reimbursement exclusively online through a platform.	none				
Vienna						
City of Vienna	1. Online application for the voucher, 2. Redemption of the repair voucher at a participating partner business, 3. The respective subsidy amount is deducted from the invoice at the repair business and indicated accordingly on the invoice.	Membership in the Vienna Repair Network requires compliance with various criteria, such as: 1. At least 50% of the workplace positions in the business are dedicated to repair. 2. Repair services are offered for at least three different brands. 3. The maximum cost for a repair estimate in the workshop is $\in 60$.				
Graz						
City of Graz	Through an online form, currently exclusively for Repair Cafes	Currently exclusively for volunteer and non-commercial initiatives.				
Aschaffenburg						
Aschaffenburg District Office	The grant application can be submitted electronically to the Aschaffenburg District Office using the application form.	Qualified businesses ("Fachbetriebe")				
District of Miltenberg						
Miltenberg district administration	Online application for reimbursement no later than three months after the invoice is issued	Qualified businesses and repair cafés				

Programme management and participating repair workshops



Recommendations

Repair funding programs are gaining popularity across Europe and receiving numerous positive feedback from the population. People enthusiastically have their devices repaired within the framework of these funding programs. Particularly, the programs running in Austria and Thuringia for several years allow us to formulate the following recommendations based on the experiences gathered there, which could prove valuable for regions, cities, and countries considering the introduction of a repair voucher:

Appropriate Funding Amount: To create an incentive effect through the repair bonus and ensure that the administrative effort is in reasonable proportion to the funding amount, the funding sum must be sufficiently high. For example, in Thuringia, an average value of \in 75 per repair has emerged as the funding sum. In France, the funding amounts per product were increased after a few months to enhance the incentive effect of the program.

Low entry barriers for Repair Businesses: To ensure that there are sufficient opportunities to avail the repair bonus, criteria for participating repair businesses, if any, should be chosen as low-threshold as possible. An in-depth assessment of the first phase of the French repair fund concludes that the effort and costs for businesses to qualify for the funding program are deterrent for many, especially smaller, businesses.

Predictability for Repair Businesses: Predictability for repair businesses is crucial when it comes to responding to increased orders due to the funding program and, for example, hiring new employees. Short-term suspensions of the program and unplanned order declines can lead to significant difficulties, as demonstrated by the example of the RUSZ repair workshop in Vienna, which had to declare bankruptcy. Therefore, a stable framework is essential.

Easy Application Process: Complex hurdles for participants should be avoided as much as possible during the application process. A digital process has proven successful in various systems. In Saxony, it is observed that the required electronic signature can pose certain hurdles for some consumers. Therefore, attention should be paid to making the verification process as user-friendly as possible. At the same time, the effort of application processing and resulting costs, as well as security and potential vulnerabilities for fraud cases, must be kept in mind.

Repair Map for Visibility: Introducing a repair map, as practiced in Saxony and France, makes repair offers visible in the region. This service should continue to exist even after a possible end of the funding period and serve citizens as a useful source of information. The updating of the data is crucial to ensure the correctness of the information.

Fraud Prevention through Clear Processing Procedures: Experiences from Austria show that the procedure should be designed to minimize fraud cases. Accordingly, the reimbursement process was changed so that the reimbursement no longer goes through the businesses but through the consumers' accounts. This is intended to ensure transparency and integrity.

Financing through Extended Producer Responsibility: Financing through extended producer responsibility is sensible to avoid burdening public budgets and enable long-term incentive systems. Manufacturer contributions should be tiered based on product quality (Eco-Modulation). This creates incentives for producers to market high-quality and repair-friendly products.



Data Collection: Data collection is important for calculating emission savings and potentially adjusting the program. Continuous analysis of the data can optimize the efficiency and success of the program. Furthermore, data on repaired products can be useful for implementing and evaluating further measures for repair promotion. Example: Evaluation of the third funding period of the Thuringian bonus through an accompanying study.

Conclusion

All national and subnational programs providing financial support for repairs have achieved very positive results. They are important tools to raise awareness among consumers about the possibility of repair and to enable the decision to repair. For example, in France, after the implementation of the repair fund, over <u>165,000 repairs</u> were carried out under the program; and since the introduction of repair vouchers, over <u>840,000 vouchers</u> have been paid out in Austria. Overall, consumers respond very positively to these measures, as several reports indicate (<u>Sachsen Fernsehen</u>, <u>Handwerksblatt</u>).

Subsidies for repair costs can lead to reduced demand for new products, thus reducing the environmental and climate impacts of our consumption. This is especially true when repair incentive systems are combined with other measures. To make repairs easier and more accessible in our society again, structural barriers must be removed, and a fair and discrimination-free repair market must be enabled. Only if repair becomes more attractive and cheaper than purchasing new products without the help of financial subsidies, can we sustainably change our resource consumption.

The following steps towards a **manufacturer-independent right to repair** could help:

- Repair-friendly product design (repairability, modularity), access to spare parts for all products at reasonable prices.
- Software and firmware updates must also be available long-term. Software blockades should not be used to prevent or hinder manufacturer-independent repairs.
- Tax reductions for the repair sector: There is a lack of repair workshops, especially in rural areas, and a shortage of qualified craftsmen, often due to unattractive wages.

Further links (as at 22/02/2024)

Austria: https://www.reparaturbonus.at/ France: https://www.bonusreparation.org/ Thuringia: https://www.reparaturbonus-thueringen.de/ Saxony: https://www.sab.sachsen.de/reparaturbonus Starnberg: https://www.awista-starnberg.de/reparaturbonus/ Vienna: https://mein.wien.gv.at/wienerreparaturbon/#/ Graz: https://www.graz.at/cms/beitrag/10224804/7882683/ Aschaffenburg: https://www.landkreis-aschaffenburg.de/wer-machtwas/abfallwirtschaf/abfallwirtschaf/zuschuesse/ Miltenberg district: https://www.landkreis-miltenberg.de/Energie,Natur-Umwelt/Abfallwirtschaft/Reparaturbonus.aspx



Contact us

Katrin Meyer Runder Tisch Reparatur e.V. katrin.meyer@runder-tisch-reparatur.de www.runder-tisch-reparatur.de

Authors Katrin Meyer - RTR e.V. Magdolna Molnár - BTU Cottbus

Runder Tisch Reparatur e.V.

The Runde Tisch Reparatur e.V. is an association of civil society and scientific organisations and craft businesses that are committed to promoting repair.

Citation reference:

Meyer, K. and Molnár, M. A comprehensive overview of the current repair incentive systems: repair funds and vouchers (12.2.2024).

With the kind support of

This article was created as part of the project "Repair bonus 3.0: Determining the CO2 savings potential of the Thuringia repair bonus"

Sponsored by:



für Umwelt, Energie