

Global Partnership on Waste Management

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Background paper on waste management as good business

I. Introduction

1. Waste management can be regarded as a cross-cutting environmental “mega-issue”. Sound waste management practices support the provision of basic necessities for public health such as clean water, clean air and safe food. In addition, climate change mitigation objectives can be pursued through reduced emissions of greenhouse gases from waste management operations, such as landfills. However, waste is still mostly considered an unwanted by-product of modern society, and thus primarily as an environmental and financial burden. Potentially significant economic benefits are often overlooked: proper waste management can facilitate the recovery and reuse of valuable resources, and a corresponding reduction in the depletion of virgin materials. Conversion of waste to energy can ease pressure on non-renewable sources of energy, and contribute to combating climate change through reduction of primary energy use. Improved waste management approaches can generate “green economic growth”, through the creation of new business and employment opportunities, including for the informal sector, and efficiencies for existing businesses and local authorities, while protecting human health and the environment. This potential for a win-win situation is often not recognized as a major priority, including in developing and transition economy countries.

II. Background

2. Waste management is traditionally at the bottom of the environmental agenda, receiving very limited political and financial support. However, population growth, urbanization and economic development as well as evolving resource consumption patterns have led to a rapid increase in waste volumes and emergence of new types of wastes in recent years. Existing waste management systems are not sufficiently equipped to deal with the growing waste flows. The costs of ensuring environmentally sound management and disposal of all types of wastes, and servicing all parts of the population, is often prohibitive. This results in a veritable “waste crisis” in many parts of the world, especially in developing and transition countries, but also in some developed countries, as the problems in Naples (Italy) some years back have shown. This in turn can lead to serious environmental pollution, and also to significant sanitary and public health problems. To address this challenge, there is an urgent need for a new approach, which would remove some of the burden from government authorities, especially at the local level.

3. A promising way forward is to further promote and support the concept of waste management as good business. While the first priority should always be waste prevention and thus addressing the “upstream” stages of production processes, turning wastes that cannot be avoided into valuable resources or energy through environmentally sound processes can create green jobs and

business opportunities while at the same time protecting human health and the environment. Electronic and electronic wastes (e-wastes) provide an excellent illustration of this point: It has been estimated that one ton of obsolete mobile phones (without batteries) contains 3.5 kilograms of silver, 140 grams of palladium, 130 kilograms of copper, and 300-350 grams of gold; by contrast, one ton of ore contains 5 grams of gold (UNEP 2009, UMICORE 2010). Landfill or incineration of such amounts of precious metals obviously makes no economic sense. According to another estimate, informal “backyard” recycling of electronic waste yields about 25 percent of the gold contained in the material, while recycling in a state-of-the-art facility can yield over 95 percent (Yu et al., 2010).¹ It would thus appear that proper recycling can be viable not only environmentally, but also economically.

4. Recycling and resource recovery from wastes has been practiced for a long time in most parts of the world in order to recover materials perceived as valuable. Entire industrial sectors have specialized in these operations well before the emergence of environmental awareness, and there are national or global markets for some of the secondary raw materials obtained through relevant processes. A paradigm shift from seeing wastes only as a problem to focusing more on the win-win situation inherent in creating green business opportunities and green jobs through resource and energy recovery could also bolster interest and support in the issue, most notably in the context of promoting a Green Economy.

5. However, there are obstacles to be overcome. One is the fact that recycling and resource recovery operations are not always carried out in an environmentally sound manner, as some of the recent scandals in different parts of the world illustrate. The “path of least resistance” might be chosen so as to cut costs as much as possible. In an increasingly globalized world, this often involves export of waste materials to countries with minimal or inexistent infrastructure and control mechanisms, with costs significantly lower than in countries where the relevant mechanisms are in place, resulting in severe health and environmental damage in mostly poor communities. The massive illegal export of e-waste to African and Asian countries for “backyard” recycling by the informal sector is a well-known example of this. Another example is the export of obsolete ships for dismantling on beaches without proper facilities, by informal workers without protective equipment and in hazardous conditions. “Sham recycling” schemes represent another known form of abuse, especially in the developed world. There have been a number of scandals in past years where consumers were led to believe that waste material deposited at special collection points would be recycled, whereas in reality they were incinerated or landfilled. As a result of this type of practices, recycling and resource recovery have to some extent fallen into disrepute, which in turn has led law and policy makers at all levels to focus their efforts in the area of waste management on control and prohibition of illicit or outright illegal operations. In promoting waste management as good business, it will be crucial to identify and put into place safeguards to ensure that the operations are indeed environmentally and socially sound.

6. Another obstacle is the fact that resource or energy recovery operations will not attract investments from the private sector unless they are indeed economically viable. For this, a number of requirements must be met, including steady material flows, sufficient amounts and quality of materials to be processed, a market for the secondary products or energy, and an enabling legal and policy framework at all levels. In developing such frameworks, it is thus important to consult the relevant industries so as to ensure that their realities and needs are properly taken into account, making the framework viable in practice.

7. Following a number of high-level policy developments, in particular at the 10th meeting of the Conference of the Parties to the Basel Convention in Cartagena (Colombia) in October 2011, and the Rio+20 Summit in June 2012 that identified a Green Economy as a tool for sustainable development, there is increasing interest in the concept of promoting waste management as good business. Numerous meetings and conferences organized by different stakeholders at different levels

¹ Yu, Jinglei et al., Forecasting Global Generation of Obsolete Personal Computers, in: Environmental Science & Technology, 2010.

are currently addressing possibilities of achieving a win-win situation through the promotion of waste recycling and resource recovery operations that protect the environment and human health while generating green business opportunities and green jobs. The successful Multi-Stakeholder Policy Dialogue on Addressing E-waste Challenges and Opportunities through Public-Private Sector Cooperation, organized by IETC in July 2012, is but one example. Indeed, waste management is well positioned to become a model area for greening the economy without slowing development or erecting new barriers to trade, and without the need for massive public funding.

8. The GPWM does not as yet explicitly address the concept of waste management as good business, although the Framework Document does refer to some aspects of this concept. Three of the six sponsored focal areas of the GPWM are cross-cutting issues that are relevant to the promotion of waste management as good business, namely waste prevention, ISWM, and the interlinkage between wastes and climate change. Given that this is rapidly becoming a “hot topic” in the international policy discussion, especially in the waste community, there may be scope for the GPWM to include promotion of waste management as good business in its overall strategic objective, and assume a leadership role in moving it forward.

III. Possible discussion points

9. Possible discussion points:

10. What are the main elements of an enabling framework for industry to make a profit from environmentally and socially sound recycling and resource and energy recovery operations?

11. What is needed to ensure that recycling and resource or energy recovery only takes place in facilities and through processes that guarantee environmentally sound management, and to prevent “greenwashing” of cheaper but unsound operations?

12. What can be done to ensure that the millions of people world-wide who currently work in the informal waste management sector do not lose their income and livelihood?

13. What role does the “upstream” management of materials play in promoting waste management as good business?

14. Is there scope for the GPWM to embrace the concept of creating green business opportunities and green jobs through resource and energy recovery from wastes, and if so, how could this be done?

IV. Conclusion

15. Promoting resource and energy recovery from waste management is an accepted part of the waste hierarchy and feeds into a life-cycle approach to materials management, recently endorsed by the Rio+20 outcome document. Highlighting, supporting and promoting the economic opportunities arising from these operations should therefore become an overarching objective of waste management policies. There is rapidly increasing recognition of the inherent win-win situation that allows industry to make a profit while creating safe jobs and protecting human health and the environment. The main challenge is to ensure that operations supported are indeed environmentally sound, that abuse is prevented, and that there is an appropriate enabling framework. Launched and managed by UNEP as the lead UN entity on environmental issues, with a global scope of operation and a multi-stakeholder membership, the GPWM could become the global leader in promoting waste management as good business. A clear focus on this new “hot topic” could also boost political and financial support for the GPWM.