

Developing markets for environmental goods and services

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1. Basel Convention: an environmental Convention with fundamental sustainable development objectives (environment, social, trade)

- **Goal of the BC:** To protect, by strict control, human health and the environment against the adverse effects resulting from the generation and management of hazardous wastes and other wastes
- **World Summit Outcome document** (para 56k): by 2020, chemicals are used and produced in ways that lead to the minimization of significant adverse effects on human health and the environment
- **COP 9 Bali Declaration:** full implementation of the BC will contribute to achieving the Millennium Development Goals. In addition to improving health and livelihoods of citizens, full implementation will provide economic opportunities through the safe and efficient reduction, re-use, recycling, recovery, treatment and disposal of waste.

2. The two pillars of the Convention:

- Control system for transboundary movements of hazardous wastes based on the concept of Prior Informed Consent (Amendment to ban transboundary movements of hazardous wastes from OECD to non-OECD countries adopted 1995, not in force)
- Obligations to ensure environmentally sound management (ESM) of hazardous and other wastes globally

The BC thus creates opportunities for developing markets for goods and services aimed both at **reducing** the generation of hazardous and other wastes and at conceiving, building, maintaining and operating **disposal** facilities for ESM. In addition, the possibility of **recycling and resource recovery** of wastes provides business and employment opportunities.

3. The BC: background info on Parties, wastes covered, sectors concerned, wastes generated

- **172 Parties**
- BC has a **wide scope**: under the BC, “hazardous wastes” are those wastes listed in Annex I and exhibiting characteristics, such as explosive, flammable, oxidizing, poisonous or corrosive. Examples of hazardous wastes covered by the BC are: biomedical and healthcare wastes, used oils, used lead acid batteries, persistent organic pollutant wastes, electric and electronic waste, polychlorinated biphenyls and thousands of chemical wastes generated by industries and other consumers. “Other wastes” are wastes listed in Annex II: wastes collected from households and residues arising from the incineration of household wastes. In addition, Parties have the opportunity to define additional wastes as “hazardous” under their national legislation.
- Given the wide scope of the Convention, **many sectors of the economy** are concerned by its implementation. Outside of those industries dealing directly with HW management, the industries most concerned include chemical production, energy generation, mining, leather production and tanning, electric and electronic equipment production and medical equipment manufacturers.
- Amounts of **BC waste generated**: Based on the reports submitted by Parties (about half of the Parties report), around 170 mio tons of BC wastes (70 mio tons of HW and 100 mio tons of

“other wastes”) were generated in 2006; in addition, roughly 1/3 of TM between developed and developing countries and 2/3 between developing countries.

The amounts of wastes generated, the variety of wastes covered by the BC and of the industries whose activities are concerned by the implementation of the BC give an indication of the size of the market for environmental goods and services linked to the implementation of the BC.

4. Reducing the generation of waste and facilitating the safe and environmentally sound disposal of HW

- Classification of a waste as BC waste leads to specific waste management requirements. According to BC, ESM means “taking all practicable steps to ensure that BC wastes are managed in a way which will protect human health and the environment against the adverse effects which may result from such wastes.”
- Parties to the BC have developed technical guidelines setting out the best practices for ESM of BC wastes (generation, disposal, recovery) for instance on ship breaking, electronic waste, used tyres and the production of Dioxins and Furans through the combustion of waste. The Technical Guidelines are principally meant to provide guidance to countries which are building their capacity to manage waste in an environmentally and efficient way and in their development of detailed procedures, waste management plans or strategies.

5. Recycling and resource recovery as a business and employment opportunity

- Under the Prior Informed Consent (PIC) system of the BC, transboundary movements of BC wastes may be authorized by the importing country in the event the wastes in question are required as a raw material for recycling or recovery industries in the State of import.
- Trade in recyclables is an increasingly growing market and many substances covered by the BC lend themselves to re-use, recycling or resource recovery. According to the reports submitted by Parties in 2006, more than 7 mio tones of BC wastes were exported / imported, for recovery purposes.
- One example to illustrate this market: end-of-life computing equipment has a high recycling value. E-waste contains besides plastics also valuable ferrous (e.g. iron), non-ferrous (e.g. aluminium, copper) and precious and special (e.g. gold, palladium, platinum, silver, indium, gallium) metals that can be obtained from dismantling of computer cases, frames, wires, cables and other components. The rising value of these materials makes recycling even more economically viable and attractive. Used equipment can also substantially contribute to job and income generation in the take-back infrastructure, refurbishment, recycling and disposal sectors.
- Another example is the ship dismantling industry: this is an important industry in South Asia (India, Bangladesh and Pakistan), providing jobs to tens of thousands of workers and much needed steel for development. The practice is inherently sustainable given over 95% of a ship can be recycled. Ship recycling countries provide a valuable service to the global economy, recycling ships that are no longer operable, which otherwise might be abandoned or sunk. According to one source, 427 ships were sent for recycling in 2008
- This being said, the fact that such activities deal with hazardous wastes (ships contain highly toxic materials, including asbestos, PCBs, heavy metals and oils and fuels; end-of life computing equipment contains heavy metals such as antimony, berrillium, cadmium, lead and mercury) mean that protective measures need to be put in place and enforced to ensure that damage to human health and the environment is prevented. This is very often not the case in practice. The BC does provide for such safeguards and encourages other fora to strive towards this win-win-win situation where trade, environmental and social objectives are mutually supportive.

6. The way ahead: hazardous waste is ever growing... so are market opportunities!

- Unfortunately, waste is growing (reference to climate change quote about drowning in toxic waste), and there is little indication that this trend is about to shift in the near future.

- If you look at the current situation, hazardous wastes have a market value if they can be recycled or lead to resource recovery. This growing market however needs to be carefully framed to ensure that health and the environment are preserved.
- Wish that the proper incentives were put into place to boost the market for environmental goods and services aimed at reducing the generation of wastes and at ensuring its ESM. In this respect, the BC remains quite aspirational, with soft law commitments backed up by technical guidelines. Legally binding targets with specific timetables, on the model of several of our sister MEAs, would be the ultimate trigger to go from “hazardous waste is ever growing” to “hazardous waste is ever shrinking”.