



TransWaste

Formalisation of informal sector activities in collection and transboundary shipment of wastes in and to CEE

6.3.11. Report Implementation of formalisation

**6th & 7th period of the project TransWaste
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1. INTRODUCTION

Used electrical and electronic equipment, bulky items like furniture or sporting equipment and metals are among the items collected by non authorised (informal) collectors in countries with "higher developed" waste management and transported to countries where the waste management according to EU law is under development. The collected products are mainly sold at flea markets and reused again.

Within the frame of the CENTRAL EUROPE programme co-financed by the ERDF (European Regional Development Fund) the Institute of Waste Management from BOKU University of Natural Resources and Life Sciences, Vienna works with partners from Austria, Germany, Hungary, Poland and Slovakia on the project TransWaste (www.transwaste.eu) with the aim to formalise informal sector activities in Central Europe.

Investigations have shown that the current situation of informal activities is very unsatisfactory especially for the waste management associations and the municipalities in the involved Western European Countries (Austria and Germany), mainly because they are afraid to have financial losses.

At the moment the legal basis is not clear for all specific situations that are happening within this informal collection topic therefore the executive authority in most cases refuses to act against waste pickers or does not even have the personal resources to do so.

One example of such a grey area is the informal collection by the use of flyers in Austria (Schmied et al, 2009). Flyers are established by informal collectors and delivered to households. A collection date and time is announced. Particular materials and waste fractions are requested and households are asked to put these articles in front of their property. There is a special statement on the flyer: "We take everything you don't want. Please no bulky waste or waste". It is explicitly announced that no waste is demanded. It is therefore known among the collectors that it is not allowed to collect waste without a special permission. In opinion of a legal expert in this situation the provided commodities can be seen as gift and those used products are allowed to be collected and also transshipped over the borders.

This often unclear legal situation is a major point of discussion. Therefore the most important issue for all possible formalisation ideas is to clarify the legal situation in general and in particular to define the line between used product and waste. The example shows that many aspects need to be considered for the legal boundaries of informal sector activities.

2. METHODOLOGY

In the course of the TransWaste project different formalisation options have been developed. The determination of formalisation options was carried out in two steps. First of all an extensive literature research was carried out among international publications, which described formalisation solutions in countries such as India or Peru. The adaptation of such solutions to the situation of the informal sector in Europe was analysed. This research however is not part of this paper. Secondly formalisation ideas were discussed among stakeholders. As stakeholders have direct contact to informal sector activities, they have ideas that could probably be implemented in practice. On the basis of international ideas

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together with implementation possibilities for Central Europe a choice of options was developed by the project consortium. These ideas were presented at a transnational conference and discussed with all stakeholders. In the course of this meeting three core ideas were chosen, which should be further elaborated:

- WI
SE (Work Integration Social Enterprises): Integration of the informal sector into the establishment of re-use and repair networks in cooperation with WISE
- Us
Used product corner: Implementation of a used product corner in waste collection centres
- Co
Collector association: Forming of an used item collector & retailer association in the home countries of the informal waste collectors

The tasks for the project team were furthermore to determine legislative issues concerning the formalisation ideas and to answer open questions. In this paper the above mentioned formalisation ideas are described and legislative aspects are discussed.

3. REUSE IN GENERAL

The new Waste Framework Directive (Directive 2008/98/EC on waste) enforces reuse. The former three-step hierarchy was enlarged to a five-step hierarchy beginning with prevention, then preparing for reuse, recycling, energy recovery and finally disposal. The new directive shall have been transposed to National law by December 12, 2011. As a consequence national programmes on waste management are also looking for solutions on waste prevention. Reuse is a measure for waste prevention, as the product is reused in its original form and for its primary purpose, e.g. a washing machine is reused as washing machine and not recycled to metals and plastics. Moreover the annex 4 point 3f (Directive 2008/98/EC on waste) states to promote the reuse and repair of appropriate, disposed products and components thereof through accredited centres and networks. The social economy will play an important role in the growing reuse sector, because the social economy (in Austria) is a longterm partner with a lot of experience in terms of reuse activities. It is important to consider this new market in the development of possible formalisation strategies. One of the ideas of TransWaste is to re-use (and repair) products through social enterprises, whereas the new aspects of the amendment provides legal starting points.

From an environmental point of view it makes a lot of sense to re-use materials from the waste stream. Re-use has also a personal value for many people as they prefer giving reusable items to someone else who can still use them instead of throwing them away.

4. FORMALISATION STRATEGIES & LEGISLATIVE CONSIDERATIONS

As described in chapter 2, three formalisation ideas were developed in a common process. These strategies are further described in detail. Also initial legislative considerations are discussed, and an already implemented idea in Slovakia is described.

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4.1 Work Integration Social Enterprises-WISE

4.1.1 Description of the formalisation strategy

The formalisation idea is based on a collection via waste management associations (WMA) at so called waste collection centres (WCC). Inhabitants bring their waste as well as reusable items to the WCC. Reusable items are separated from the waste and are also separately stored at the WCC. The items for reuse are picked up by and transported to reuse enterprises, WISE (waste collection permission necessary). The pick-up and the transport can be carried out in cooperation with informal collectors, as they already have the necessary capacities (van, personnel). At WISE the items subsequently undergo a visual and functional test to determine the end of waste. The items are separated in reusable goods with and without repair necessity. Goods which don't need to be repaired and can be sold without further treatment are sent to Austrian or also to Hungarian reuse shops. It is expected that the reuse market is different from Austria to Hungary. Therefore it is planned that items with a low sale value in Austria but a high value in Hungary are exported to Hungary. Goods which can be profitably repaired in Austria stay at WISE and are repaired. After repair and successful quality and security tests the end of waste is determined and the product can be sold. Goods for which repair would be not profitable in Austria anymore can be exported by Hungarian collectors and repaired and sold at Hungarian socio economic enterprises.

The different steps of the formalisation strategy are shown in Figure 1.

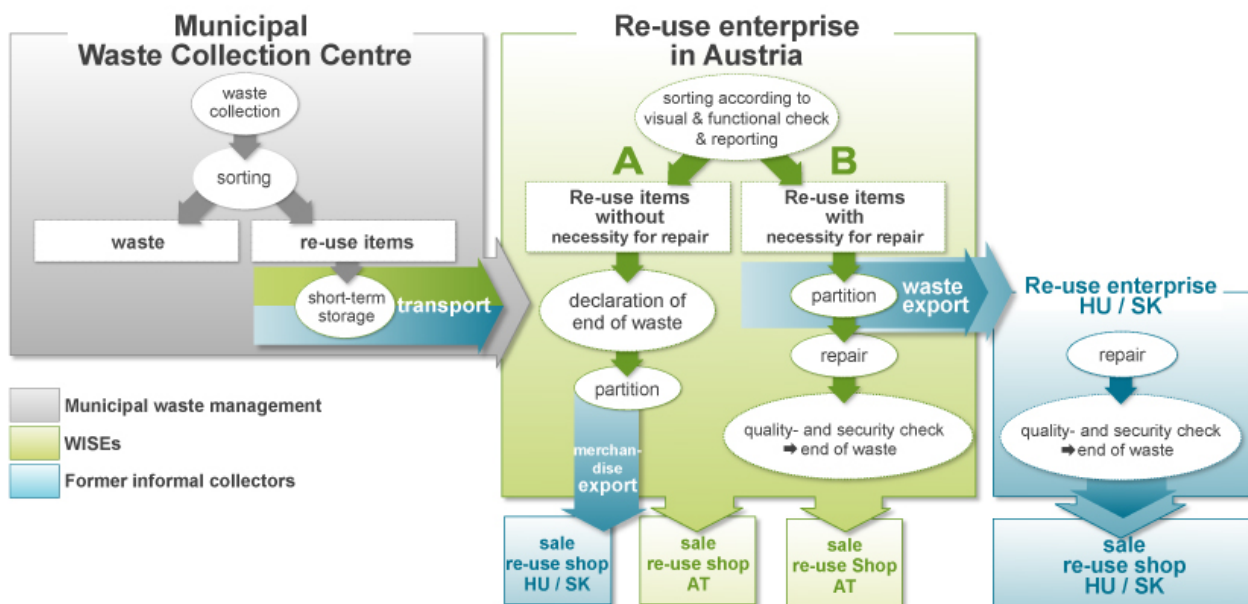


Figure 1. Scheme of formalisation idea 1

4.1.2 Legislative considerations

Especially the formalisation idea of implementing reuse and repair centres is in favour of the new Waste Framework Directive. WISE which is a reuse and repair centre as such would therefore be a tool that applies to the new directive.

WISE needs a range of permits for carrying out such a socio economic enterprise. It needs waste collection permission for collecting waste and a waste handling permission for the

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preparation of reuse (sorting, repair). Yet, not only WISE needs permits, but also informal collectors who work in cooperation with WISE. As the end of waste is only declared at WISE premises by an authorised person, picked-up and transported items from WCC to WISE are therefore wastes. Informal collectors who are carrying out this service for WISE would consequently need a waste handling permission. If goods are exported to Hungary all transports need to be documented; if wastes are transported all requirements have to comply with the requirements according to the Austrian Waste Management Act.

Former informal collectors which are working in coordination with WISE are expected to organise such a WISE in Hungary too. Consequently the cooperation would be facilitated and legal permits could be obtained more easily.

4.2 Used product corner

4.2.1 Description of the formalisation strategy

A “used product corner” is an easy and efficient possibility to avoid informal activities. Already some recycling centres in Germany and Austria are using this possibility in a similar way. A separated corner at WCC is prepared where citizens can place items which are still useable without repair or further treatment. Access to the used product corner is provided to citizens and also to informals. Items can be bought for a small amount which is obtained by WCC staff.

The aims of a “Used product corner” include a structured and sustainable waste management; an avoidance of uncontrolled, informal activities and a compliance with the requirements of the waste frame work directive in terms of waste avoidance (see also Figure 2). During the discussion with stakeholders concerning the “Used product corner” it appears that issues like the person responsible for the definition of end of waste criteria, the space capacities, manpower requirements, collection rates or labelling of second-hand-goods still have to be defined.

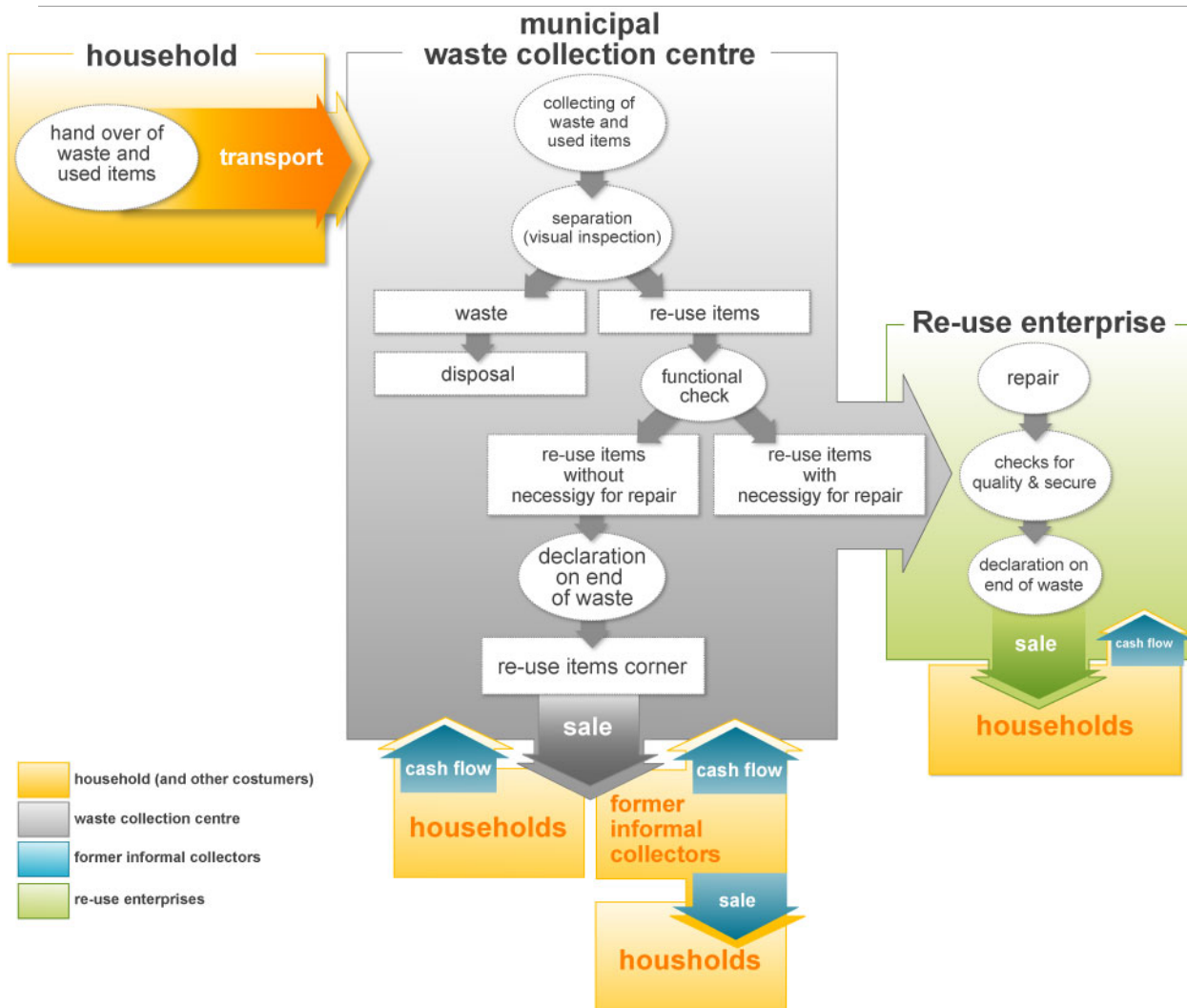


Figure 2. Scheme of formalisation idea 2

4.2.2 Legislative considerations

To implement a used product corner at WCC various issues need to be considered. It is again a question of end of waste. Stakeholders argue that citizens bring items to the WCC with the intention of throwing them away or getting rid of them. Therefore it is waste what is handled. If the items are waste the items can't be offered at a used product corner. For this reason a determination of the end of waste is necessary at the WCC. Stakeholders are concerned about the necessary qualification of the staff to declare the end of waste.

Another possibility would be that citizens bring both waste and used items separately to the WCC and to the used product corner respectively. Then the different collection compartments need to be separated by open ground and clearly labelled. One example of successful implementation can be given for Gothenburg (Alelyckan recycling park), where a drop-off recycling park and a place for second hand shops are combined with a sorting station.

Legal issues mentioned by stakeholders are dealing with quality and security. Items which are offered at product used corner would have the same status as items at e.g. flea markets.

4.3 Used item collector & retailer company

4.3.1 Description of the formalisation strategy

The (formalisation) idea is to set up a registered advocacy organization supporting used item collectors by registering them and hence giving them the opportunity for an official job. The organization will organize trainings for the collectors meeting the economic, legal and environmental EU regulations. The members would pay a fee to the organisation and receive a visible ID as well as job orders (services concerning used items for Hungarian or Austrian residents) in return.

There are three ways planned of obtaining reusable items from Austrian households. Figure 3 shows the process. In possibility A Austrian households are asked by waste management associations to prepare their reusable items at the sidewalk. The Hungarian Association is called by the WMA for carrying out the collections as they have the required capacities (vans, personnel). Possibility B can work in connection with a used product corner established at WCC (see chapter 4.2). Operators of the WCC have the opportunity to call the association if e.g. storing capacities at WCC are scarce. Possibility C deals with Austrian households which directly contact the association. They offer them useable items which need to be picked up directly from households. This service can also be offered in cooperation with the regional WMA. All activities have to be reported in detail in a written manner, signed by the residents before they give the items away. The collected reusable items are transported to Hungary and sold. Sold items are reused at Hungarian households. Unsold items are disposed of adequately and according to European law.

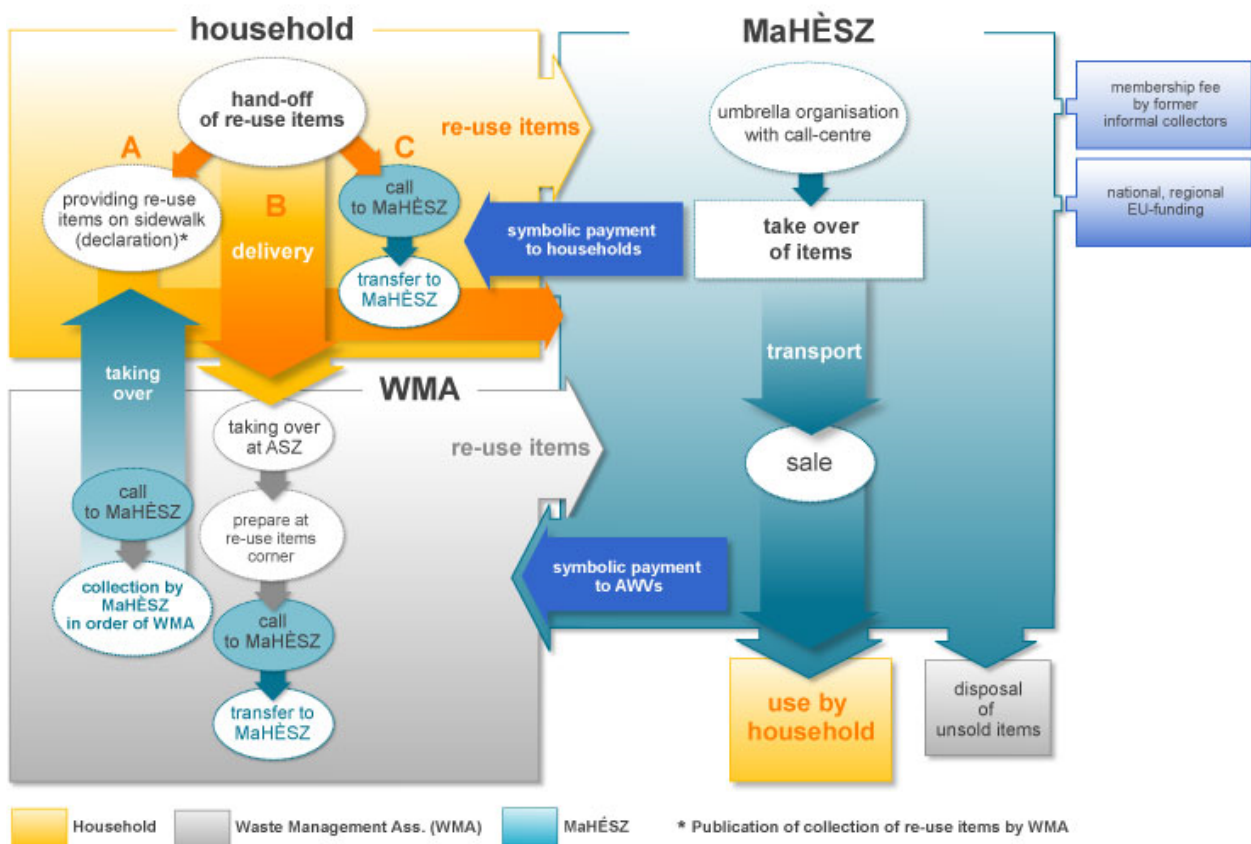


Figure 3. Scheme of formalisation idea 3

4.3.2 Legislative considerations

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As the formalisation idea does not deal with waste but with used items before they get into the waste stream, waste collection or waste handling permissions do not apply. However, the declaration whether it is a product or waste need to be carried out clearly and transparently. It means that also households are not allowed to hand over waste to the association. Wastes are a responsibility of the local WMA. The association is not allowed to handle waste.

Legal questions also arise in form of the organisation form of the used item collector group, for example if it is an association it must not operate profit orientated.

4.4 Further idea, already implemented in Slovakia: public warehouses for the collection of WEEE

“Producer responsibility” means that producers and importers of electrical and electronic equipment are responsible for each sold/imported product until the end of its lifecycle. The respective management of WEEE (waste electrical and electronic equipment), including an adequate collection and recycling as demanded by the European Waste Law, is accomplished through a recycling fee paid by the producers. This fee is normally added to the selling price of each product and thus actually paid by the consumers. To guarantee an adequate management of WEEE, producers normally contract (private) partners that are specialised in the collection and recycling of WEEE. By collecting, repairing and selling WEEE, informal collectors – who often depend on these activities for livelihood - are in direct competition with this whole process. Moreover recycling quotas might be distorted if private people from the informal sector continue with their statistically invisible activities.

In order to meet the necessary national quota for WEEE one idea in Slovakia is to create a central warehouse for WEEE. Receiving a small fee for a certain amount of WEEE (e.g. for one kilo) citizens, also informal collectors, could bring own or collected WEEE (only whole products, e.g. a washing machine with all components) to this storage site. First steps for this formalisation idea are already being established in Slovakia. A business partner who organised the financial needs was found. The funds for covering this slovakian activity are taken from recycling fees and will be payed by the partner who organises and coordinates waste collection and waste processing/recycling by contracts with waste collecting and waste processing companies. This partner organization applies controlling mechanisms and manages the money flow in the waste management system. In 2011 three central warehouses already opened in Bratislava, Záhorská Bystrica and Rohožnik; others are under preparation. However, some questions still need to be answered: How can citizens and informal collectors be informed about this possibility? Will this strategy help to reduce the percentage of illegal dumping in the long-term?

5. SUMMARY

Within the CENTRAL EUROPE project TransW aste solutions shall be found for the existing situation of informal waste collection in Central Europe. At the moment people from eastern European countries collect useable items (bulky waste, WEEE, metal scrap) to sell them in their home countries. These activities are problematic at least from a legal point of view but also financial, environmental and social problems occur. This deliverable describe different possibilities to integrate the informal collectors in the official schemes a and discusses legal prerequisites and consequences of possible formalisation strategies. Even if some legislative topics are considered, during discussion with stakeholders – especially with stakeholders



who actually should implement and carry out the idea – it became obvious, that there are some questions yet to be answered. These questions at the latest arise at the moment when the concrete idea should be implemented.

Beside the legislative topics it became more and more clear that the success of implementation is strongly dependent on the stakeholder's willingness. Therefore it was possible for the Slovakian partners to implement this kind of formalisation in a very short time.

In general it can be said, that solutions outside of the waste management framework dealing only with products are far easier to be implemented, as all the regulations for waste do not apply. Waste management stakeholders, however, tend not to be in favour of such solutions, as they involve a loss of waste material and consequently money for their organisations.

6 . SOURCES

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