

Comment to AMS-III.AJ, CDM Small-Scale Methodology for Recycling Solid Waste

1. Introduction

The Clean Development Mechanism (CDM) was established not only to reduce emissions as cost-effectively as possible, but also to promote sustainable development and technology transfer to developing countries. Unfortunately, in the case of the waste sector, considerable evidence indicates that the projects approved by the CDM are not achieving either goal; indeed, in many cases they are directly undermining both.

The most salient example of such problems lies in the conflict between CDM waste disposal project and the informal recycling sector. In most of the developing world, waste pickers recover recyclable material from the waste stream and return it to production via recycling and re-manufacturing. The climate benefits of their activities are difficult to quantify but have been widely acknowledged, both in the academic literature and by the CDM board itself, through the approval of a small-scale plastics recycling methodology AMS-III.AJ.

This methodology AMS-III.AJ, however, does not address the conflict that exists between CDM projects, which dispose of waste in incinerators and landfills, and the recycling sector. Waste pickers largely belong to the informal sector, which limits their ability to take advantage of CDM credits; even if they were able to do so, the credits available to them are dwarfed by the credits that accrue to large waste disposal firms. This may explain why the plastics recycling methodology has yet to be successfully applied to any projects.

The Global Alliance for Incinerator Alternatives (GAIA) welcomes the opportunity to provide input to show what are the main problems involved in it. We are a well poised alliance to comment on these CDM methodologies, with more than 600 grassroots groups, non-governmental organizations, and individuals in over 82 countries whose ultimate vision is a just, toxic-free world without incineration. GAIA's members include scientists, waste pickers and campaigners who have built up a wealth of expertise regarding waste management issues during the past ten years of GAIA's existence. We not only work to close incinerators, landfills, and other end-of-pipe technologies, but we also promote viable alternatives such as the implementation of long-term Zero Waste strategies based on waste reduction, recycling and reuse.

In its Fourth Assessment Report, the IPCC recognized that “waste minimization, recycling and re-use represent an important and increasing potential for indirect reduction of GHG emissions through the conservation of raw materials, improved energy and resource efficiency and fossil fuel avoidance” (Bogner et al., 2008). In fact, recycling and composting are activities that are occurring in developing countries. In Cairo, recycling rates were historically estimated to be as high as 95%, primarily through the contribution of the informal waste picking sector (Drabinski, 2009), although a 2003 privatization of waste management services by three multinational companies brought that percentage down significantly.

The role of the informal sector in resource recovery and associated climate change mitigation is largely overlooked in developing countries. Waste pickers require support to form cooperatives, access better equipment, negotiate direct access to waste sources, and generally improve their health, safety, and livelihood. Municipal governments in developing nations need assistance to understand the value of the informal sector and to incorporate the informal sector in waste strategies.

2. Main issues involved in AMS-III.AJ

2.1 Accessibility

A major concern regarding this methodology is whether informal recyclers can realistically make use of a carbon market mechanism that is so technically complex and requires such extensive monitoring and documentation. Successful CDM projects generally require the services of major consulting firms specializing in writing project proposals, whose services are not affordable by grassroots communities. Indeed, only private sector companies could afford the CDM registration process, and they usually exclude recyclers from their management operation.

Concerns about accessibility seem to have been borne out. After one year of validity, not a single project using this methodology has even entered the pipeline (let alone been registered) – including the original project proposed by the World Bank. It is worth mentioning that the initial application named 8 recyclers' cooperatives of the Buenos Aires region as pilots for the methodology, but the projects have not gone ahead in the CDM pipeline.

More recently, the CDM approved the first revision of the methodology, as requested by a private firm Agrinergy, but with no known links to the informal recycling sector. The primary focus of the revision was to expand the methodology's applicability to PET plastic, but secondarily it introduced several new monitoring requirements that will make application of the methodology more expensive and difficult to access for waste picker groups. This may herald a process of revising the methodology towards greater profitability for large firms, but less accessibility to the informal sector.

2.2 Benefits

The financial benefits from this methodology are likely to be extremely small. The initial, Buenos Aires project estimated an annual reduction of 239 tons CO₂e from all 8 cooperatives, worth approximately EUR 2900 at current carbon prices. By contrast, waste projects utilizing methodology AM0025 generate on average annual reductions of 114,000 tons, worth approximately EUR 1.368 million.

2.3 Restrictions

The methodology contains a number of restrictions that severely limit its applicability and usefulness to the informal recycling sector. First, credits can be awarded to either the recycling facility or the processor/manufacturer; thus, sorting is assumed to happen at the recycling

facility. In cases where the waste pickers own and operate their own recycling facilities and can get a written agreement from the processor that CERs will accrue only to the facility, this may be acceptable; but where waste pickers do their own processing outside a facility, the benefit of that work will accrue to the owner of the recycling facility. Second, materials are restricted to a 200 km area – an unrealistic restriction given the current global market in recycled materials. Third, all inputs (including waste and energy) and outputs (including discards, separated materials and their market prices) must be continuously monitored and recorded.

2.4 New Restrictions

As mentioned above, version 2 of the methodology introduces several new restrictions that may be problematic for the informal recycling sector. First, three years' worth of historical data prior to the start of the project must be presented to indicate the source of virgin material to be displaced. Second, the intrinsic viscosity of the recycled plastic must be tested and compared with virgin material. Third, plastic can only be sourced from an area that has an MSW collection system in place but that recycling of plastic recovered from landfills is **not** common practice. Fourth, if the project is to receive credits for PET, they must demonstrate that the PET is re-made into the same product as the recycled material (i.e., no downcycling).

3. Conclusions

For all the reasons above explained, the revision of this methodology should seriously consider its impacts for the informal recycling sector. Specially, it should be noted that further restrictions would prevent wastepickers groups from sharing any eventual benefit enjoyed by the now CDM-backed recycling facilities. If the participation of wastepickers groups is not ensured, the methodology AMS-III.AJ will reinforce the intermediary recycling companies, which do not necessarily work with the wastepickers and that may even compete with their interests. In this way, this methodology may even undermine national policy initiatives that aim at including wastepickers groups into the waste management system, as is the case of India, where there have been great advances in this direction.

Finally, it would be ridiculous that a methodology addressing recycling projects would end up as an exclusion tool against wastepickers groups, who are, ultimately, an very valuable example of efficiency and social implementation of sustainable development practices.

We thank you for reading our comments outlining problems with waste management methodology AMS-III.AJ. We look forward to your response to our concerns.