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Sustainable Cycles Programme

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Programme

Study proposal:

**WEEE Recycling Economics –
The shortcomings of the current business model?**

EERA meeting - January 17, 2017

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Contents

- Proposal and Approach
- Individual tasks
- Timing (total 10 mins)

- Practical arrangement and feedback (10 mins)



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Approach



Task 1:
Baseline + Survey
(Feb. – Apr.)

Case Studies (>3 EU MS)

Task 2:
Economic Analysis
(May- June)

Economics of compliant recycling

Competition distortion elements (best & worst practices)

2005-2015:

- Economic analysis of the treatment practises
- Main cost elements
- Non-compliance triggering

Task 3:
Recommendations
(Sep.-Dec.)

Long term strategy + Recommendations:

- Governance & business models
- Financing mechanisms
- Monitoring & enforcement
- Strategy to enhance collection & recycling

2015-2020:

- Evolution of collection & treatment costs
- Impact of CENELEC standards
- Achievability of targets

Task 1: Baseline and Survey



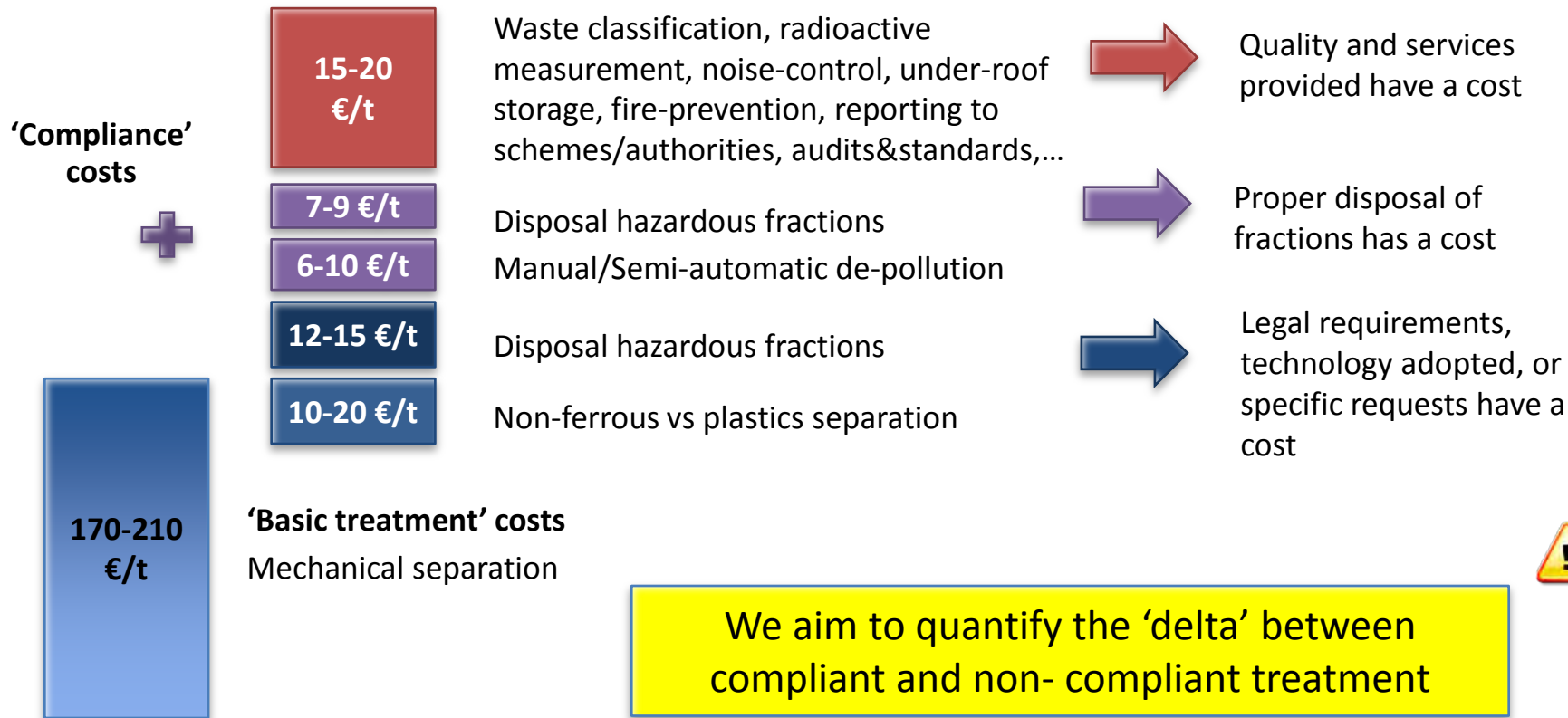
The aim of task 1 is to consolidate information and available data in 3 distinct areas:

- ? Analysis of treatment **costs**, per collection category
- ? Identification of main **cost drivers** for proper WEEE recycling
- ? Identification of main areas/costs that can be **avoided** in the case of non-compliance

Task 1 will in particular identify, analyse and distinguish:

- ? Costs not controlled/influenced by treatment operators
- ? Costs controlled/influenced by treatment operators (f.i. standards/quality, reporting, etc.)
- ? Costs related to boundary conditions and missing revenue potential (f.i. cherry-picking level, scavenging,...).

The 'compliance costs' delta (example)



Survey questions/ or direct data provision



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We will repeat the CWIT survey but with much more detail and substantiation. We will ask, aggregate and anonymize:

- Technical treatment costs, with focus on separating specific fractions
- Ranges of compliance costs for reporting, sorting and depollution, health and safety, etc. in EUR/ton per collection category.
- Specific scavenging levels, more specific than in CWIT, pref. measured data!
- ‘Dumping of fractions’ like for BFR plastics and CRT glass
- Revenues in ranges for recycled plastics
- **We will not ask for your profits!**

Task 2: Economic Analysis and Scenario's



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- Task 2 aims at analysing the economics of WEEE Recycling, quantification of costs related to:
 - ? Sorting for and de-pollution itself plus disposal of hazardous fractions,
 - ? Mechanical separation
 - ? Quality/standards and service, reporting etc.

- Finally task 2 will look into scenarios for 2015-2020 taking into account:
 - ? The relation between the technical costs and the tariffs
 - ? Inventory of best and worst practices
 - ? Based on case studies, EERA data, plus comparison other sources
 - ? Achievability of the collection and recycling targets

Task 3: Recommendations & long term strategy



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■ Recommendations will be clustered, related to:

- ! **Governance & business model.** Options related to the overall organizational framework
- ! **Financing mechanism.** Options related to prevent un-fair competition and non-compliance.
- ! **Monitoring & enforcement.** Options related to the enforcement and alternative funding mechanisms for monitoring.
- ! **Strategies to increase collection and treatment quality.** Options to improve channelling of amounts to compliant operators, incl. “all-actors” configurations.

UNU conditions (from DUS meeting)



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- We reserve the right to publish aggregated and anonymous findings, after EERA check of the report and allow EERA the possibility to state a press release first.
- Hiring UNU means academic work, done according to our standards
- **We will recommend system improvement options and will:**
 - Not directly support lobbying activities,
 - Not provide business recommendations, better prices etc.
 - Not provide EERA members with higher prices, but improved collection and better incentives for higher quality in treatment
- We may combine data with our own internal sources and CWIT information, etc.
- Earliest project start: ~~March~~ Feb. 2017

Timing and Gantt - 2017



2017	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Meetings		30-Mar			07-Jun			28-Sep		30-Nov	
PHASE 1: Baseline											
Data Gap Analysis, review existing studies											
Preparation of Survey											
Survey, analysis of (past) treatment costs		survey response									
PHASE 2: Analysis of economics and scenarios											
Definition and analysis of minimal technical costs											
Drivers for and analysis of non-compliant treatment											
Scenario analysis for 2015-2020											
PHASE 3: Recommendations and long term strategy											
Conclusions											
Recommendations re:											
Report Finalisation, Executive Summary, Presentation											

3 physical meetings planned: March 30, June 7 and November 30
10 regular telcons planned.

Practical arrangements



■ Task 1: ‘Survey’:

- You have the option to choose between a survey or a direct provision of data
- We propose to arrange data confidentiality between UNU and individual EERA members directly

■ Task 2: Best and worst practices:

- Case study: selection countries – shortlist: our shortlist: NLD, **DEU**, FRA, **ESP**, PRT, IRE, CHE, ROU

Q: Can you make a final and joint decision on the three case study countries by Feb?

Q: Do you prefer to discuss best and worst practices **collectively** by means of a workshop at the June EERA meeting ,or **individually** via interviews?

Practical arrangements

■ Task 3: Recommendations and Strategy

- On purpose there is no media release included in the schedule for 2017 (yet).

Q: Do you agree that a media release or other options are chosen by the end of the project/ end of 2017?

■ Project communication:

- 3 physical meetings scheduled
- About 10 scheduled regular calls with EERA Secretariat/ EERA board/ Project steering group:

Q: Shall we establish a small steering group?

Q: Shall we plan \approx 5 of these with EERA Secr. and \approx 5 with this steering group?