

1. About this page

This page is designed to help financial institutions (FIs) quickly familiarise themselves with good waste management practices. It is an abridged version of a longer guidance note [available here](#), which focuses on the agribusiness, healthcare, construction and manufacturing sectors.

This guidance is based on international standards and each FI shall determine in its E&S management system (ESMS), under which circumstances/transactions its clients will be required to operate in accordance with these standards. As a minimum, FIs shall always require their clients to comply with the applicable laws.

The term ‘company’ used in this E&S Briefing Note refers to FIs’ corporate clients.

2. Introduction

Waste management is an integral part of environmental and social (E&S) responsibility and effective waste management remains a consistent and key component of a company’s E&S responsibility. Implementing sustainable waste management solutions continues to present a challenge across emerging markets; for instance, due to the scarcity of recycling facilities and limited capacity to handle hazardous wastes in many countries.

[BII’s Waste Guidance Note](#), which is aimed at FIs and companies in emerging markets, sets out the context of waste management, outlining current practices and trends and highlighting some of the common constraints that companies experience. The note identifies opportunities to drive improved waste management practices, and shares case studies of where these have been implemented in practice.

In recent years, there has been a significant increase in the generation of solid waste, with serious economic, health and environmental impacts. Various factors have led to this increase, including:

- Urbanisation
- Emerging waste streams (such as e-waste and plastic)
- Weak regulation and enforcement of waste regulations

- Increased disposable income

- **A growing challenge in emerging markets**

Existing research suggests that the rapid surge in waste volumes is straining waste-management systems in many developing countries, with negative effects on economies, public health, and ecosystems.

Globally, 1.3 billion tonnes of municipal waste are generated annually, and waste generation is expected to increase to 2.2 billion tonnes by 2025. The World Bank estimates that the volume of waste generated will double in the next 20 years in low and lower-middle income countries.

The challenges in implementing sustainable waste management practices are significant, particularly as the collection, transportation, treatment and disposal of waste can be costly in financial terms. In addition, a significant percentage of countries in Africa and South Asia do not have the infrastructure or resources to appropriately manage waste, which coupled with the absence or weak enforcement of existing legislative frameworks, makes the challenge more acute.

The focus on improved waste management is also increasing due to the explicit reference to waste management as a key way to reduce the environmental impact of cities in the Sustainable Development Goals (target 11.6), and a significant shift in legislation across several countries; with requirements becoming more and more stringent (in Kenya, Rwanda and India for example).

3. Why financial institutions and their clients should address this topic

There are sound business reasons in favour of sustainable waste management practices. These not only focus on waste as an end product - seen through the lens of disposal and treatment needs - but also focus on opportunities to reduce waste generation and drive resource efficiency improvements, following the waste management hierarchy and aligning with the principles of the circular economy.

Taking a proactive approach to waste management brings multiple benefits to companies,

including reduced operational and capital expenditure, reputational risk, and financial and legal liability.

4. Advice for financial institutions

The research conducted to develop BII's Waste Guidance Note shows that sustainable solutions need to be found locally and regionally, particularly for hazardous waste as the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal reduces opportunities for waste service providers to offer environmental solutions for managing hazardous wastes across international borders.

Across the sectors examined, sustainable interventions broadly fall into three categories:

- [Onsite solutions](#)

There are often opportunities for companies to develop onsite solutions, such as composting and small-scale anaerobic digesters for treating organic waste. This is particularly relevant where there are no formalised systems and where waste volumes are sufficiently large, noting that any solutions identified will need supporting feasibility assessments.

- [Aggregation](#)

A keyway to address waste management challenges in emerging markets is through aggregation and by achieving economies of scale. The ability to segregate and aggregate waste flows into meaningful volumes can help build a case for investing in technology and the infrastructure capable of extracting more value, which in turn stimulates the development of businesses and encourages supply chains to professionally organise. There are also opportunities for private sector actors to leverage existing networks and develop partnerships that enable economies of scale and aggregation to be achieved. Aggregation is, for example, key to improved management of e-waste, where achieving economies of scale is key to the commercial sustainability of the recycling process.

- [Third-party services](#)

There are third-party markets for reselling and processing recovered waste in most

sectors, but these are often difficult to locate and track because of their informal nature. Identifying these markets is often not a priority for business owners but can bring significant benefits if acted on. For instance, this is the case with hazardous chemical waste, including pesticide containers, where discussions with agrochemical suppliers are key to encourage them to share responsibility for disposing of the empty containers, potentially including a supplier take-back scheme.

Further advice for FIs on waste management in four specific sectors (healthcare, agribusiness, manufacturing and construction) is provided in BII's Waste Guidance Note.

5. Tools

- [Waste management tools](#)

To supplement this guidance, BII has also developed a series of waste management tools that provide further detailed guidance for operational decision-making following the waste management hierarchy. These are designed across seven key waste streams:

- [Hazardous medical waste](#)
- [Hazardous chemical waste](#)
- [E-waste](#)
- [Paper waste](#)
- [Plastics waste](#)
- [Construction and demolition waste](#)
- [Organic waste](#)

6. Further resources

- [Further information and resources](#)

Engel, H et al. 2016. Managing waste in emerging markets. Available at:
<https://www.mckinsey.com/business-functions/sustainability/our-insights/managing-waste-in-emerging-markets>

Kaza, Silpa; Yao, Lisa C.; Bhada-Tata, Perinaz; Van Woerden, Frank. 2018. [What a Waste 2.0 : A Global Snapshot of Solid Waste Management to 2050](#). Urban Development; Washington, DC: World Bank. © World Bank.
<https://openknowledge.worldbank.org/handle/10986/30317> License: CC BY 3.0 IGO.

Balde, C.P. et al. 2017. [The Global E-waste Monitor 2017, Quantities, Flows and Resources](#). Available at www.itu.int/en/ITU-D/Climate-Change/Pages/Global-E-waste-Monitor-2017.aspx