

## **FICCI ENVIRONMENT CONCLAVE 2010**

# **"Sustainable waste management: harnessing the potential for business and technology"**

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Mr Chairman, distinguished speakers, Ladies and Gentlemen,

It is with great pleasure that I am joining you today at this FICCI Environment Conclave and I would like to address my sincere thanks to the organisers for giving me the opportunity to share briefly with you some developments regarding waste management and resource efficiency in the European Union.

The clean technology and environmental goods and services industry is increasingly becoming an important economic sector in many parts of the world. This offers a great opportunity to combine sustainable development and employment with an ambitious environment policy. Hence, it is very timely that

at this FICCI Environment Conclave, we focus on the business opportunities in areas such as re-use and recycling of raw materials and water.

Not very long ago, in Europe and elsewhere, waste was seen as an unavoidable side effect of economic growth. Waste was regarded as a *given*, one had to live with and could not influence its generation. Hence, waste policy and waste management were just an issue of how to deal with waste in the least costly way, mainly by dumping the solid waste in landfills and the waste water in surface water.

We have come a long way since.

At the World Summit on Sustainable Development of 2002 in Johannesburg, South Africa, it was agreed that: "we need to prevent and minimise waste and maximise reuse, recycling and use of environmentally friendly alternative materials, with the participation of government authorities and all stakeholders, in order to minimise the effects on the environment and improve resource efficiency.

Today, waste is increasingly regarded as a valuable resource which we need to feed back into the economy. The sound management of solid waste and waste water, in particular prevention and recycling, is important for a better environment, but also for the economy as it improves material efficiency, diverts material from landfills, and offers significant energy savings. For example, 95% of energy can be saved by using recycled aluminium instead of primary metal.

The latest official figures for the European Union, concerning municipal waste for example, show that in 2008 524 kg of waste was generated on average per person, 40% of which is still landfilled. The amount per person varies significantly across EU countries mainly due to different consumption behaviour patterns.

Also the treatment of waste differs substantially between EU countries with for example 100% of municipal waste landfilled in Bulgaria to only 1-2% landfilled in Germany, Denmark, Belgium and the Netherlands. In the latter countries, a considerable part of the municipal waste is recycled and composted (around 60-70%) and the remainder is incinerated with energy recuperation. The collection of the municipal waste in those countries is mainly organised by public authorities, but the treatment is done by private companies or via private/public partnerships. The same is true for some other waste streams, for example e-waste.

Nevertheless ladies and gentlemen, the preferred option is of course to prevent waste and wastage in the first place.

Waste generation is driven by several factors, including economic, demographic changes, technological innovations, life style and more generally patterns of production and consumption. Therefore, waste prevention needs to be coupled with resource management and product policy.

That brings me back to resource efficiency, where we need business to step up efforts in research and innovation. With increasing demand in particular in emerging economies such as India, the price of ÷virginøresources will go up and it is this change in relative prices that will lead to real changes on how we look at them and how smart we want to be in using them. Resource efficiency is also a driver for jobs, good for the balance of payment and sustainable development in general. The increase in resource prices will also increase the value of waste and will create an incentive to make the most of it.

In March 2010, the European Union has outlined its Europe 2020, an ambitious strategy, which should provide the building blocks for smart and inclusive economic growth that will be sustainable and will put less pressure on energy and resources. One of the seven flagship initiatives of Europe 2020 is resource

efficiency with the objective to decouple economic growth from the use of resources, support the shift towards a low carbon economy, increase the use of renewable energy sources, modernise our transport sector and promote energy efficiency.

This of course also includes waste management. We should find ways to avoid producing more waste than what is absolutely inevitable. A resource efficient outlook would mean looking at new practices, new production processes, new technologies and new business models, which could make the best use of and recover value from the waste we cannot avoid producing. It is about recovering re-usable products, materials and energy while minimizing the amount of final disposal.

What we probably need now is to put in place good multi-level partnerships of the public and the private sector. And this is probably true in India too. Governments can help in this context by supporting innovation, promoting green public procurement, developing subsidy schemes for SMEs or flanking policies for example in the field of vocational training as new technologies will require new skills, etc.

I am sure that this Conclave will have very rich discussions around all the different themes and I am looking forward to the results of its proceedings.

One thing I already know is that the Europe Union and India have started to work together in waste management and their respective business and technology communities are ready for more.

More sustainable waste management makes economic, business and environment sense! And not all changes require new technologies; some require behavioural changes which can be triggered by economic incentives.

One recent example of this cooperation: we have started in January 2010 a project of 2 millions € over 4 years (the EU is contributing to the tune of 80%) to establish e-waste channels and to enhance environment friendly recycling. In India a wide gap exists between the generation and the recycling of e-waste. By involving producers and recyclers and other stakeholders in the value chain, this gap can be bridged. The project will reduce the pollution in the unorganised sector of 4 urban areas: Delhi, Bangalore, Kolkata and Pune. Within the project two Associations of 75 SMEs each will be formed in each of the 4 cities I just mentioned. These associations will have contracts with formal recycling units for further processing of e-waste. Collection centres will be established and provisions will be made to store e-waste. Resource utilisation will be increased due to better collection and channelization of e-waste.

But there are many more on going projects between the EU and India and between individual Members States of the EU and India. There is also a regular policy dialogue between the Indian authorities and the European Commission.

Let me conclude by saying that I am convinced that both India and the EU can harness the potential for business and technology in the field of waste management through the engagement of business, new markets for eco-friendly products and real prices for scarce resources, supported as appropriate by legislation and sanctions where needed.

I cannot resist the temptation to quote a slogan used in Europe some time ago:

**THERE IS NO TIME TO WASTE TO TACKLE WASTE!**

Thank you for your attention.