The Green Climate Fund:
Effective Community Ally or Corporate Giveaway?

THE CASE OF SOLID WASTE MANAGEMENT

In 2010, the UNFCCC member states agreed to create a new, international fund to finance the costs of adaptation and mitigation in developing countries. This new fund, envisaged to channel upwards of $100 billion per year, would be the primary multilateral entity responsible for tackling one of the greatest challenges of modern times.

One year later, the delegates designing this Green Climate Fund (GCF) are at a crossroads. The fundamental question they confront is the role of the private sector – and, by implication, the fate of communities. If the private sector gains direct access to GCF funds, local initiatives will be left with crumbs. The delegates must decide whether the GCF will embrace a vision of community-led adaptation, resilience, and sustainable, low-emission development pathways; or whether the GCF's leadership – and the public money it controls – will be firmly in the hands of multinational corporations.

The stark choice between community-led and corporate-led climate strategies is well illustrated by the sector of solid waste management. Informal sector recyclers, who provide significant environmental benefits including reduced greenhouse gas emissions, are being displaced by multinational firms, which set up incinerators and landfill gas systems in the name of mitigating emissions. In fact, these technologies compete with recycling and composting. When waste that was previously recycled is burned or buried, it is not only the recyclers who suffer; greenhouse gas emissions also rise dramatically. The private sector approach to waste management actually creates more problems than it solves.

LOCAL SOLID WASTE MANAGEMENT PROGRAMS THAT WORK

City governments in many developing countries struggle to cope with solid waste. Public budgets are too thin to pay for the collection, transport and disposal of all the waste generated, let alone to contemplate creative solutions such as composting. But they are not entirely without help. The informal recycling sector manages a significant amount of cities' discards. These waste pickers collect metal, glass, paper, cardboard and plastic directly from homes and factories, from open bins, and even from dumpsites. They clean and sort the material and sell it to industry as a replacement for virgin materials. This activity not only provides employment to millions of the urban poor – an estimated 1% of the urban population depends on recycling for their livelihoods[i] – it also provides significant environmental benefits. In New Delhi, 100,000 waste pickers prevent 2,600 tons of greenhouse gas (GHG) emissions through recycling every day.[ii]

Thanks to these grassroots recyclers, cities in developing countries typically have higher recycling rates than their developed-country counterparts.[iii] Yet in most places, recyclers have received no support or thanks for their dirty, dangerous work.

Finally, this is beginning to change. Waste pickers are demanding recognition for their work, and improved access to waste. Enlightened administrations are giving it to them, and for good reason. Better collection methods and less contaminated waste streams translate to higher recycling rates, meaning reduced GHG emissions, greater earnings for the waste pickers, and lower disposal costs for municipalities. Working together, waste pickers and city managers are building better solid waste management systems.

Working with the municipal government of Pune, India, the SWaCH cooperative collects source-separated recyclables, organics, and residual waste from 250,000 households, or 40% of the city every day. The cooperative's 1,850 members recycle or compost 89% of what they collect, generating increased income under improved working conditions.[iv] The recycled materials go back to industry, saving energy and reducing emissions in manufacturing and easing the pressure on natural resources.

In La Pintana, Chile, the local government encourages residents to hand their recyclables to waste pickers while focusing public efforts on collecting organic waste – the largest portion of the waste stream. For only US$4 per resident per year, the municipality's program keeps organics out of landfills, reducing high transportation and disposal costs and avoiding emissions of methane, a potent greenhouse gas.[v]

In Mumbai, the NGO Parisar Vikas is pioneering a decentralized waste management system: waste pickers set up neighborhood-scale biogas plants to treat organic waste. The plants, which fit into small patches of land in the densely-populated city, produce gas for cooking or electricity generation. A facility treating five tons per day reduces 4197 tons of GHG emissions each year, easing the need for landfill space while generating much-needed energy.[vi]

These community-led waste management practices – which reduce greenhouse gas emissions, provide improved employment to large numbers of the urban poor, and ultimately save municipalities money – are exactly the type of triple win that the Green Climate Fund should be supporting.

THE CORPORATE APPROACH TO MANAGING WASTE

Unfortunately, too few cities reach out to the informal recycling sector to involve them in improving the waste system. Instead, they tend to rely on developed-country firms such as Covanta and Veolia to bring "first-world" expertise to bear on their waste management problems. In fact, what multinational corporations mostly bring is a focus on capital-intensive technology, which provides few employment opportunities. Waste disposal technologies such as incineration and landfills form the core of the corporate approach. Compared to recycling, composting, and other sustainable techniques for managing waste, landfills and incinerators produce more greenhouse gases, fewer jobs, and large quantities of toxic pollution.

In Cairo, the *zabbaleen* (waste pickers) used to pick up waste directly from houses, diverting 80% of it into recycling and animal feed.[vii] But in a drive to modernize waste management, the city turned over waste management to a multinational firm that took everything to a landfill. Methane emissions increased, recycling dropped, and the *zabbaleen* lost their livelihoods.

In Delhi, the waste pickers' efforts are threatened by a CDM-backed incinerator proposal, which proposes to burn most of the city's recyclables. With a high proportion of wet, organic waste, the incinerator will need to burn all the paper and plastic it can, sidelining the recyclers and their contribution to climate mitigation.[viii]

The emphasis on waste disposal, rather than waste diversion, has many negative consequences including increased toxic pollution, higher public cost, and fewer job opportunities. Compared to recycling and composting, disposing waste in landfills and incinerators creates far more GHG emissions.[ix] In some cases, the perverse incentives associated with selling the energy generated by methane from landfills may actually increase methane generation from projects that are supposed to be reducing it.[x]

One of the most serious issues is that such schemes compete directly with recycling and composting programs, which are more effective at reducing climate pollution and employ many more workers.[xi] As recycling rates fall, informal recyclers are displaced and their already-precarious livelihoods become even harder. When recyclable materials are sent to incinerators and landfills, greenhouse gas emissions go up. In short, the corporate approach to waste management is not a form of mitigation but of *increased emissions*.

WHITHER CLIMATE FINANCE?

Faced with these options, the architects of the GCF need to decide where to put their money. They can choose to fund waste picker cooperatives and local governments to expand recycling and prevent landfill methane emissions through separate organics collection and processing. This approach will generate significant GHG mitigation while simultaneously giving waste pickers a foot on the ladder to a reasonable quality of life. Or they can invest those same monies in corporate-led waste management, which will result in increased emissions, impoverished waste pickers and a host of other problems. But they cannot do both; the approaches are fundamentally incompatible.

The corporate approach to climate financing has been tried before, and it has failed. The Clean Development Mechanism (CDM) was an attempt to sidestep government bureaucracies and put companies directly in charge of reducing emissions. By offering a financial incentive to firms that reduced emissions, it was hoped that the CDM would harness the power of the market to mitigate climate change. This has resoundingly failed. Companies have proven themselves more adept at gaming the system than at reducing emissions. Problems with incinerators and landfills have prompted the CDM to undertake a comprehensive review of the entire sector.

There is another option, however. Direct, small grant funding to local governments, waste pickers' cooperatives and similar subnational entities has the potential to quickly launch programs which are innovative, grassroots-led, and tailored to local conditions. By funding

local entities, the Green Climate Fund can sidestep cumbersome multilateral implementing agencies to deal more effectively with issues such as waste management, which are handled by local entities. Direct, local funding is an important complement to national strategies, providing greater scope for experimentation (and valuable lessons learned), local initiative and accountability to local populations.

If the GCF is serious about effective mitigation, adaptation and resiliency programs, it needs to support communities with financial instruments tailored to their needs. It is not enough to simply turn a pot of money over to multinational corporations and national governments, in the hopes that it will trickle down. Direct grants to communities, waste picker cooperatives, or municipalities implementing zero waste programs will result in effective mitigation programs that benefit the local economy and can be deployed quickly.

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GAIA is a worldwide alliance of more than 600 grassroots groups, non-governmental organizations, and individuals in over 90 countries whose ultimate vision is a just, toxic-free world without incineration.

Endnotes

[i] C. Bartone, "The Value in Wastes," *Decade Watch*, September 1988.
[ii] Chintan Environmental Research and Action Group, "Cooling Agents," 2009.
[iii] for dry, i.e., non-putrescible waste.
[iv] A. Scheinberg et al, "Economic Aspects of the Informal Sector in Solid Waste." GTZ (German Technical Cooperation), Eschborn, Germany. 2010.
[v] Dirección de Gestión Ambiental, La Pintana http://www.digap.cl/
[vi] "Nisargruna: Nature's Loan," Stree Mukti Sanghatana. 2011.
[vii] Scheinberg et al, ibid.
[viii] N Tangri and D Shah, "A CDM Misadventure In Waste Management," *Third World Resurgence*, June 2011.
[ix] USEPA, "Solid Waste Management and Greenhouse Gases: A Life-Cycle Assessment of Emissions and Sinks," 3rd edition, September 2006.
[x] M. Vilella, "The European Union's Double Standards On Waste Management & Climate Policy," Global Alliance for Incinerator Alternatives, 2011.
[xi] see the series of CDM case studies at www.no-burn.org/cdm.