

JUST TRANSITION OF THE INFORMAL RECYCLING SECTOR
CASE STUDIES

Integration of Waste Pickers into Mandatory Extended Producer Responsibility Schemes

South Africa



INTERNATIONAL
ALLIANCE OF
WASTE PICKERS



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The implementation of an Extended Producer Responsibility (EPR) scheme relies not only on the compliance of obliged companies with its requirements, but also on the design of implementing structures. These structures often extend to the informal recycling sector, which plays a significant role in the success of an EPR scheme. The informal recycling sector engages in collecting, segregating, processing, and recycling waste, including plastic.

They are an agent for material circularity and contribute to efficient resource usage. Therefore, an EPR scheme needs to be just and inclusive for the workers of the informal recycling sector, recognising and integrating their role into the formal waste management system and circular economy chain, establishing transparent financial flow for them, and ensuring decent working conditions.

In South Africa, the second National Waste Management Strategy "commits the national government to provide guidance to municipalities and industry on measures to improve the working conditions of waste pickers". In 2020, the Waste Pickers Integration Guideline for South Africa was developed to provide options for how municipalities can integrate waste pickers through "separation at source" initiatives and prioritise waste picker registration. South Africa's mandatory EPR programme was enacted in 2021 by the National Environmental Management: Waste Act (NEMWA) and is currently mandatory for producers of paper, packaging, electrical and electronic equipment, and lighting equipment. However, the implementation of EPR faces various challenges.

Reference period

Data and information provided in the brief were collected between March 2024 to September 2024.

Background

The informal recycling sector in South Africa consists of an estimated 60,000 to 90,000 waste pickers (or reclaimers, as they are called in South Africa)^{i,ii}, however, this estimate often goes as high as 215,000^{iii,iv}. Currently, over 8,000 waste pickers are registered at the South Africa Waste Pickers Registration System (SAWPRS), the official waste pickers registration system introduced in 2021. In South Africa, many waste pickers are migrants who move from rural to urban and peri-urban areas

to find employment opportunities. There are also immigrants from other countries, but studies suggest that most waste pickers are South African citizens. They primarily work independently, although some are organised into small groups or cooperatives to improve their bargaining power and access resources and support. Many have been retrieving recyclable materials for over three decades, and some families have been waste pickers for generations^{vi}.

The African Reclaimers Organisation (ARO) and the South African Waste Pickers Association (SAWPA) are the two leading waste picker organisations in South Africa. The African Reclaimers Organisation, formed in 2018, has 5,500 members (waste pickers) in and around the City of Johannesburg^{vi}, and the South African Waste Pickers Association, formed in 2009, has between 4,500 and 6,000 members across all nine provinces of South Africa^{viii}.

Waste pickers in South Africa contribute significantly to waste recovery and recycling, reducing the strain on landfills and keeping valuable resources in the value chain. They collect and sort waste and materials before selling them to buy-back centres or directly to recyclers^{ix}. In 2017, waste pickers recovered 51% of all post-consumer paper and packaging waste for recycling^x. It is estimated that their efforts in diverting recyclables from landfills saved local governments 309-749 million ZAR (approximately 28.5-69.1 million USD) in 2014^{xi}.

South African waste pickers face various challenges. They are exposed to negative perceptions from the formal waste sector and society, and are frequently subjected to negative or derogatory remarks. They are subject to health risks and dangerous working conditions, endure low incomes, conflict with local authorities, and exploitation by unscrupulous intermediaries, especially those not members of any waste pickers' organisation^{xii}.

Policy and Legislation Evolution towards an Inclusive Extended Producer Responsibility System in South Africa

The start of an inclusive Extended Producer Responsibility (EPR) system establishment in South Africa dates back to 2000 when the White Paper on Integrated Pollution and Waste Management (RSA, 2000) and the 1st National Waste Management Strategy (DEAT, 1999) were established. However, at

that time, governments considered waste pickers as almost a nuisance, highlighting the need to phase out salvaging in landfills. In the early 2000s, South Africa had voluntary industry-led EPR initiatives for paper and packaging that increased separate collection and recycling rates. Collect-a-Can, Glass Recovery Company (GRC), and Petco are three organisations that led those initiatives.

These industry-led EPR initiatives have supported the recycling economy in South Africa by investing in infrastructure, collection, and recycling and developing local end-use markets, leading to an increase in the collection and recycling of steel, glass, and PET (Polyethylene terephthalate) packaging materials^x. Collect-a-Can increased beverage can collection rates from 18% in 1993 to 72% in 2015. In 2017, an estimated 58.2% of paper and packaging put into the South African market was collected for recycling, while in 2019, South Africa achieved a 62% collection rate for PET bottles, up from 24% in 2007^{iv}.

The National Environmental Management: Waste Act (NEMWA) (Act 56 of 2008) was the turning point for moving from voluntary to mandatory EPR schemes in South Africa. With this act, the Minister could designate the materials and products for EPR system application. In 2016, the National Pricing Strategy for Waste Management Charges shifted responsibility away from government to industry by obliging producers and importers of designated products and materials to internalise waste management costs. Five years later, on the 5th of May 2021, the EPR regulations for the Electrical and Electronic Equipment, Lighting, Paper, and Packaging Sectors (Government Gazette of South Africa no. 43879 of 2020) came into effect under Section 18 of the National Environmental Management: Waste Act, making EPR mandatory for all producers, brand owners, importers, distributors, and retailers.

The participatory process to develop the Waste Picker Integration Guideline for South Africaⁱⁱ (WISA) that was held between 2017 and 2019 can be considered as key towards the recognition and integration of waste pickers in the waste management system. All key parties who participated in the consultation process reached a consensus that waste pickers play a central role in the recycling economy and that waste picker integration must mean the creation of formally planned recycling systems that build on the existing systems created by waste pickers^{xiii}. The guidelines published in 2020 by the Department of Forestry, Fisheries, and the Environment (DFFE)

include a set of 10 principles to guide integration, including recognition of waste pickers' knowledge and expertise, redress, meaningful inclusion of waste pickers in policy processes that affect them, and payment for the services they provide.

Moreover, the guidelines saw the waste pickers registration system as essential to implement their integration, leading to the development of the South Africa Waste Picker Registration System (SAWPRS) with the support of different stakeholders, including waste pickers.

The mandatory EPR regulations of 2021 marked another significant step towards the integration of waste pickers. Section 5A, 1(m) of the EPR regulations mandates that Producer Responsibility Organisations must integrate informal waste collectors, reclaimers, and pickers into the post-consumer collection value chain for regulated materials (packaging, paper, and e-waste). Furthermore, Section 5A,1(p) requires Producer Responsibility Organisations to compensate waste collectors, reclaimers, or pickers who register with the National Registration Database for collection services and environmental benefits through the "service fee" by November 2022.

The EPR regulations contain requirements for the EPR fee, which producers must pay to fund the scheme's implementation, but they do not directly specify the costs of compensating waste collectors, which are mentioned as a service fee^{xiv}. Through several meetings and workshops, Producer Responsibility Organisations and waste pickers associations agreed that the service fee to waste pickers would be estimated based on the weight of subject materials collected and sold by registered waste pickers. The Producer Responsibility Organisations have proposed a collection service fee of 15 cents per kilogramme for 2022, which waste pickers organisations have not accepted. The Paper and Packaging Producer Responsibility Organisation Alliance was given the responsibility of distributing the collection service fee to waste pickers.

Moreover, EPR regulations allow Producer Responsibility Organisations to develop platforms to track the weight of the recyclables that waste pickers collect and sell to buy-back centres and pay the service fee. This means that Producer Responsibility Organisations must also convince waste pickers and buy-back centres to register on the platforms, and persuade waste pickers to only sell to registered buy-back centres^{xv}.

Implementation Status of the Inclusive EPR Regulations in South Africa

EPR in South Africa was expected to bring tangible benefits to waste pickers by recognising their contribution, improving their working conditions, increasing income opportunities, and providing them with access to training and capacity-building programmes.

Petco estimates that in 2018, 60,000 people collected 98,649 tons of PET (1.45 tons of PET per person)^{xv}. This data indicates the potential for waste pickers to increase their income through mandatory EPR. The intention of introducing the collection service fee within the EPR regulation was to remunerate waste collectors for the services they provide and incentivise them to recover more materials. Although the service fee was expected to be payable in November 2022, only a small fraction of waste pickers have been paid the service fee from the Producer Responsibility Organisations.

Some Producer Responsibility Organisations claim they intend to accelerate their programmes to support waste pickers. For instance, the EPR Waste Association of South Africa (eWASA)¹ claims that it will work closely with the South African Waste Pickers Association and the African Reclaimers Organisation to increase the budget for the service fee for waste pickers and provide trolleys and personal protective equipment to existing and new waste pickers.

However, neither the Producer Responsibility Organisations nor the national government have made financial support for waste pickers publicly available, and no coherent programme is yet in place^{ix}. In addition, Producer Responsibility Organisations have not developed programmes or campaigns to register and pay waste pickers not yet on the South Africa Waste Picker Registration System, nor have they established buy-back centres on the tracking and payment systems^{xxi}. This remains the case even though waste picker organisations and other experts have advised on how this can be done and are keen to partner to ensure that, as per the EPR Regulations, all waste pickers are registered and paid^{xvi}.

Successful Participatory Policy Development

South Africa's successful policy and legislation system development for a just and inclusive EPR scheme was based on a multi-stakeholder participatory approach^{xvii}, with the informal recycling sector having advocated for their inclusion and active participation in waste management policies and programs. The South African Waste Pickers Association and the African Reclaimers Organisation have been actively engaging with the government and other stakeholders to ensure the integration of waste pickers into the waste management system and EPR schemes^{xiv}.

They are mentioned as implementing bodies of the 2020 National Waste Management Strategy aspects related to waste picker integration. Moreover, South African Waste Pickers Association and the African Reclaimers Organisation have played a central role in developing the Waste Picker Integration Guideline and the South Africa Waste Picker Registration System, leading both the initial piloting and the registration campaign supported by the World Bank's Pro Blue fund.

The Waste Picker Integration Guideline was developed through a "participatory evidence-based policy making approach". Between June 2017 and April 2019, the government convened a Waste Picker Integration National Stakeholder Working Group (SWG), including representatives from waste picker organisations, industry associations, municipalities, national government departments, and NGOsⁱⁱ.

During a series of six participatory stakeholder working group workshops facilitated by the University of the Witwatersrand, the groups provided insights and forged a common understanding of integration amongst all key parties in the sector. In addition, on April 9, 2019, the Department of Environmental Affairs hosted a one-day Waste Picker Integration Workshop to present the draft guideline and get input from a larger range of stakeholdersⁱⁱ. Similarly, the development of the South Africa Waste Picker Registration System has followed a participatory approach with major engagement of the African

¹ The EPR Waste Association of South Africa (eWASA) is a registered Producer Responsibility Organisation (PRO) with The Department of Forestry, Fisheries and the Environment (DFFE) for the Electrical and Electronic Equipment (EEE), Lighting, Portable Batteries and Paper and Packaging Sectors.

Reclaimers Organisation and the South African Waste Pickers Association. Initially, basic stakeholder agreements on waste picker registration were reached during the participatory process to develop the Waste Picker Integration Guideline for South Africa. Then, between 2020 and 2021, stakeholders agreed on information fields to be included in the system, information to be displayed on the registration card, and the need for a verification process to ensure that people registered are legitimate waste pickers^{xiii}.

Moreover, the African Reclaimers Organisation and the South African Waste Pickers Association were engaged in developing detailed registration plans for their pilot site and conducting workshops for municipal officials in the pilot cities. After completion of the South Africa Waste Picker Registration System pilot, the "Capacity Building for Waste Picker Registration Platform and Mainstreaming of Waste Picker Integration Guidelines" project began.

The scope of this project was to support the implementation of waste picker integration in South Africa through the strengthening of the institutional, governance, and managerial capacity of the African Reclaimers Organisation and the South African Waste Pickers Association^{xiii}.

Challenges in EPR Implementation

The EPR requirement that the industry pays waste pickers registered on the national registration system starting in November 2022 is a key driving force behind the need for swift expansion of registration of waste pickers on the South Africa Waste Picker Registration System. However, this is only part of the work that must be done to ensure that such payments are made. There is an urgent need to reach agreements on how waste pickers will be paid the collection service fee, how it will be calculated, and how payment systems will be linked to the South Africa Waste Picker Registration System^{xviii}. According to Dr Linda Godfrey, it is essential to "understand how to ensure that middlemen do not take most of the collection service fee en route to the waste pickers and do not deflate the market-related recyclable prices, given additional collection service fees."^{xix}

According to EPR regulations, every Producer Responsibility Organisation can establish its own tracking and payment system, which can lead to several different systems complicating waste pickers' registration and payment. Producer Responsibility Organisations in the Producer Responsibility Organisation Alliance could not agree to implement

just one tracking and payment system. They chose their own preferred systems and then did very little to deploy them and link them to the South Africa Waste Picker Registration System. Neither the Producer Responsibility Organisation Alliance nor the Producer Responsibility Organisations have secured that waste pickers registered on South Africa Waste Picker Registration System must also register on tracking and payment systems. In addition, they have not ensured that buy-back centres, which waste pickers sell to, are also registered to the tracking system^{ix}.

Producer Responsibility Organisation Alliance has claimed that service fees have not been paid to waste pickers because the waste picker registration system does not have a payment system^{xx}. Nevertheless, South Africa Waste Picker Registration System was designed before extended producer responsibility existed and was never intended to function as such.

In addition, some Producer Responsibility Organisations refer to the informality of collection and waste trading that makes payment of the service fee electronically very difficult. Most transactions are cash-based, not formally recorded, and some businesses and most waste pickers do not have bank accounts^{xx}. Other issues include the lack of waste collection infrastructure, which is even more dire in many rural and under-resourced municipalities in South Africa.

This complex approach has led to Producer Responsibility Organisations not complying with EPR regulations, and only a small proportion of waste pickers in South Africa are receiving payment despite the regulations mandating it. This highlights a significant gap between policy intent and implementation. Ensuring compliance and addressing non-compliance with EPR regulations has been a major challenge in South Africa.

Although the service fee is supposed to encourage waste pickers' wider registration and enhance recyclables recovery, Producer Responsibility Organisations' inability to pay waste pickers might have led to hesitation from waste pickers about further integration into the EPR system. In addition, although EPR regulations in South Africa created a 'space' for waste pickers through their registration, not all waste pickers can register. There is no provision for undocumented non-South Africans to register on the South Africa Waste Picker Registration System. This portion of waste pickers, although not representing the majority of waste pickers in South Africa, would not qualify for any government assistance and integration programmes.

Recommendations for future EPR implementation

By making producers responsible for retrieving their goods and packaging for recycling or disposal, EPR has grown in popularity as a policy strategy to reduce environmental waste. However, more clarity is needed on how material management and EPR systems may help towards integrating and enabling a just transition for waste pickers and other workers of the informal recycling sector.

The main achievement in South Africa is that the development of EPR regulation has allowed the meaningful participation of multi-stakeholders, including waste pickers' organisations, in decision-making and policy design. However, if the tremendous potential of South Africa's approach is to be realised, it is necessary to expand this participatory approach to the implementation phase and for the government to institute strict penalties for non-compliance with regulatory requirements to pay waste pickers and support integration.

In the near future, urgent actions are needed to overcome the present challenges and support the effective implementation of the EPR system in South Africa. These include:

- The Producer Responsibility Organisation Alliance must establish a transparent system regarding waste picker registration and payment to secure fair remuneration for registered waste pickers in South Africa.
- Producer Responsibility Organisations must cooperate and agree upon a standard tracking and payment system to lessen the present complexity.
- Stakeholders of the EPR system will have to acknowledge that the collection service fee is very low and initiate negotiations to establish a fair service fee.
- Investment in waste collection infrastructure with emphasis on under-resourced localities.
- Reviewing the current EPR regulations to move towards being more effective, efficient, and accountable.

Overall, the South African case study showcases that EPR systems in countries with a major presence of workers of the informal recycling sector need to consider several enabling factors during both EPR development and implementation stages that will ensure just and fair integration of the sector.

EPR policy and legislative framework design shall be based on participation consultation and clear inclusion mandates^{xxi}. The waste resource economy is large, complex, and interwoven. Therefore, a collaboration of multiple stakeholders, including waste pickers and waste pickers organisations, is essential for establishing systems, standards, priorities, processes, fees, and pricing targets, grievance mechanisms, review processes, and more.

EPR regulations need to provide clear guidance on how the informal recycling sector will be integrated into the implementation process, including the responsibilities of producers and other actors^{xxii}. In addition, there is a need to set clear targets and outcomes and define penalties for non-compliance. Moreover, EPR frameworks need to introduce mechanisms and tools to assist in establishing necessary registration mechanisms, methodological approaches to estimating compensation fees, and payment systems for waste pickers in a way that will ease and facilitate their integration and fair remuneration.

Furthermore, the rights and livelihoods of waste pickers need to be protected within EPR regulatory frameworks with a focus on equal employment terms, as well as social and labour protection^{ix, xxii}. Provisions should be made for integrating all workers of the informal recycling sector into EPR schemes without excluding any group (e.g., immigrants, women, etc.) and without exacerbating poverty^{xxi,xxiii}. Robust implementation of the EPR regulations and legislation enforcement to achieve a just transition will require establishing robust reporting and monitoring mechanisms to track progress, measure impact, and ensure compliance with EPR regulations. In addition, by establishing transparent value chains and robust reporting mechanisms, EPR schemes can better monitor and manage the flow of waste, ensuring accountability and addressing illegal practices that could harm the environment and communities^{xxii}.

This will require regular audits, reporting requirements, and performance indicators to help assess the effectiveness of EPR programs integrating waste pickers. Finally, strict enforcement of legislation and regulations is necessary to hold producers accountable for their waste management obligations towards waste pickers. Penalties for non-compliance should be clearly defined and enforced to deter unlawful practices and ensure a level playing field.

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