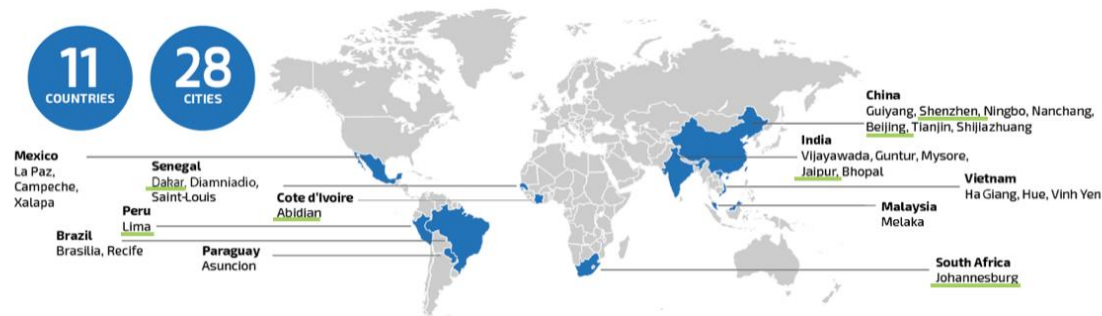


# C40-CCAC Waste Finance Programme Webinar

## in collaboration with



WORLD  
RESOURCES  
INSTITUTE





# WASTE MANAGEMENT PPP

PERSPECTIVES FROM EMERGING  
MARKETS

Christopher Olobo – 5<sup>th</sup> June 2019





01.

## THE FRAMEWORK FOR PARTNERSHIPS

The provision of waste management is essential to maintaining a decent livelihood in all cities around the world.

Achieving success requires both public and private cooperation



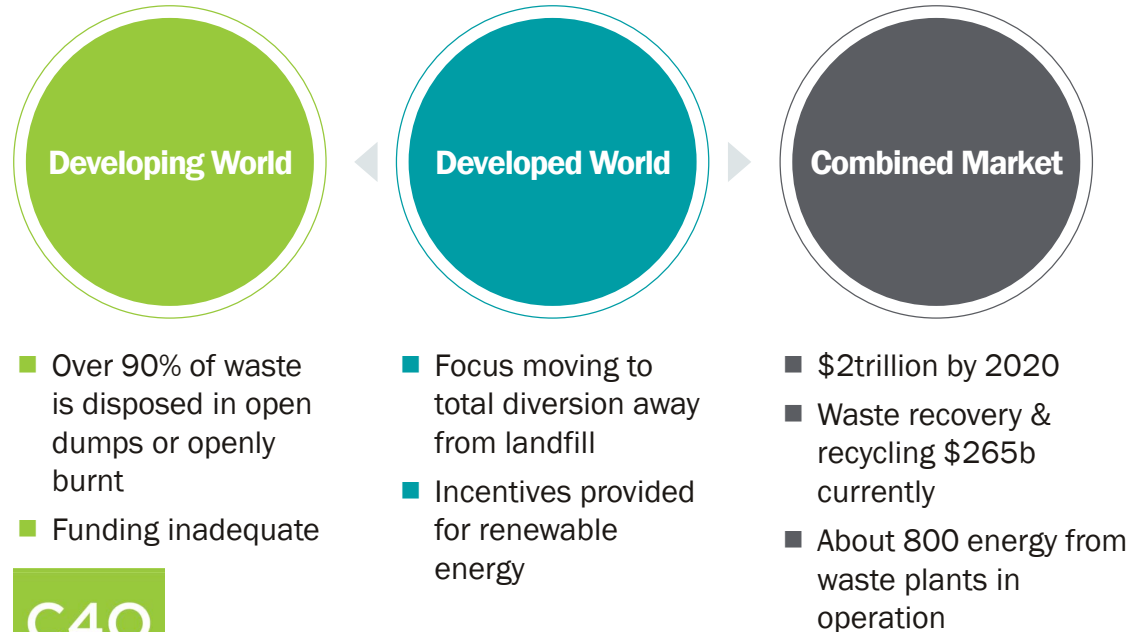
Photo Credit: The World Bank



# The Global Waste Perspective

**RAPID POPULATION GROWTH & URBANIZATION IS INCREASING WASTE GENERATION GLOBALLY**

**By 2050, up to 3.4billion tonnes will be generated annually equating to 0.74kg/person/day**





# The Waste Management Chain



**A**  
Waste  
Delivery

**B**  
Sorting &  
Recycling

**C**  
Landfill &  
Leachate  
treatment

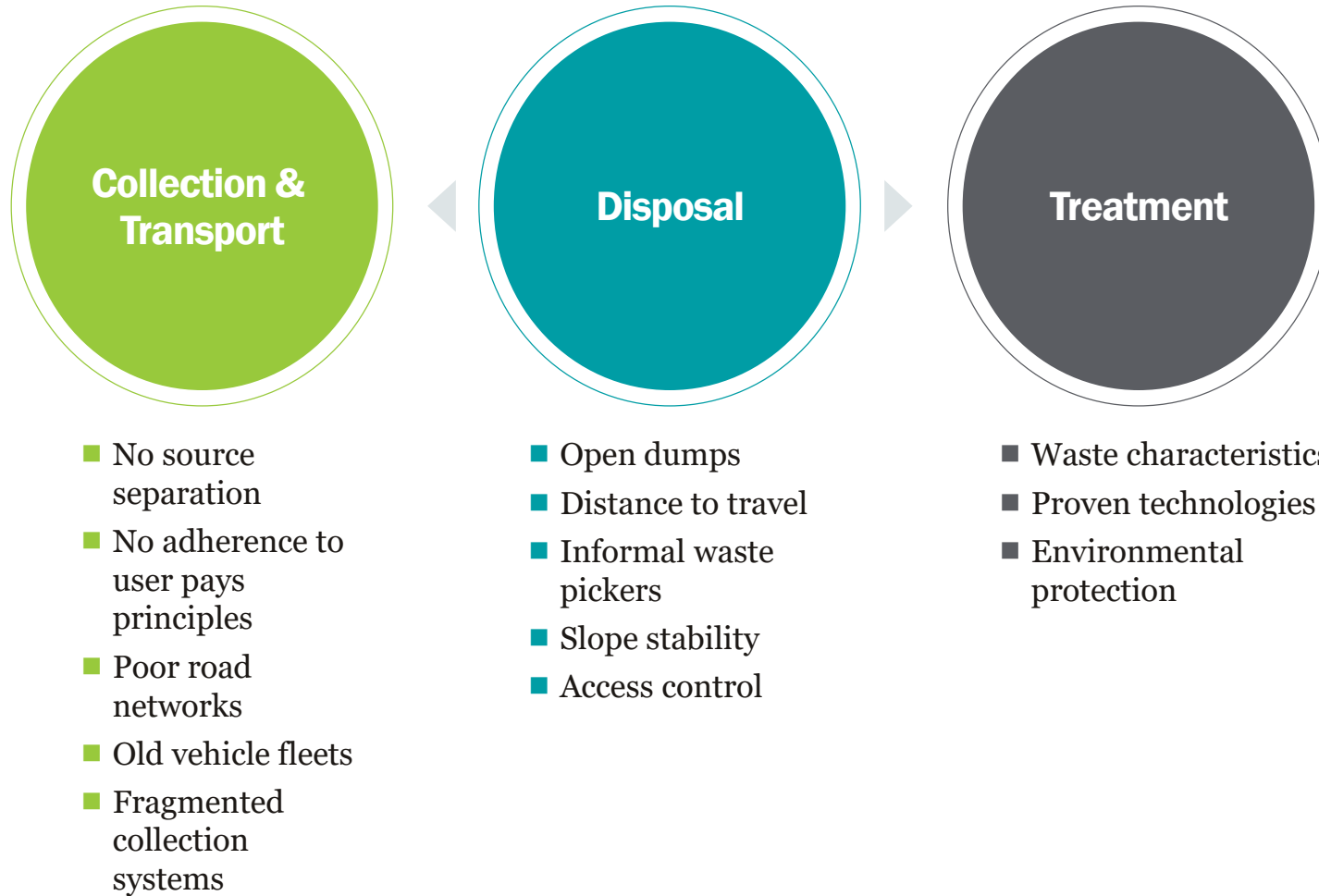
**D**  
Treatment  
Facility

**E**  
Energy  
substation

**F**  
Administration  
Block

# Factors impacting waste management

With a focus on emerging markets



## A WEAK REVENUE BASE IS A GREAT HINDERANCE

- Often cities in developing countries don't have sufficient revenue sources to justify efficient handling of waste streams.

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# Is the private sector the answer to solving the waste management problem in developing countries?





# What is the PPP?





# Risks along the value chain from the private sector point of view....*the questions*

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## Collection & Transport

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- Who will pay my costs? How do I enforce?
- Can I collect any valuable waste streams to supplement income?
- Can my vehicles reach every part of the city that I need to collect from? Is it safe?
- Is there a risk that my vehicles will breakdown?
- Do I compete for the market and within the market?

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## Waste Disposal

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- Is there sufficient land?
- Do I have a legacy risk managing an existing disposal site?
- Who manages a transfer station?
- What is the policy on informal pickers?
- Is there a risk of slope failure
- Can I control theft from the site?

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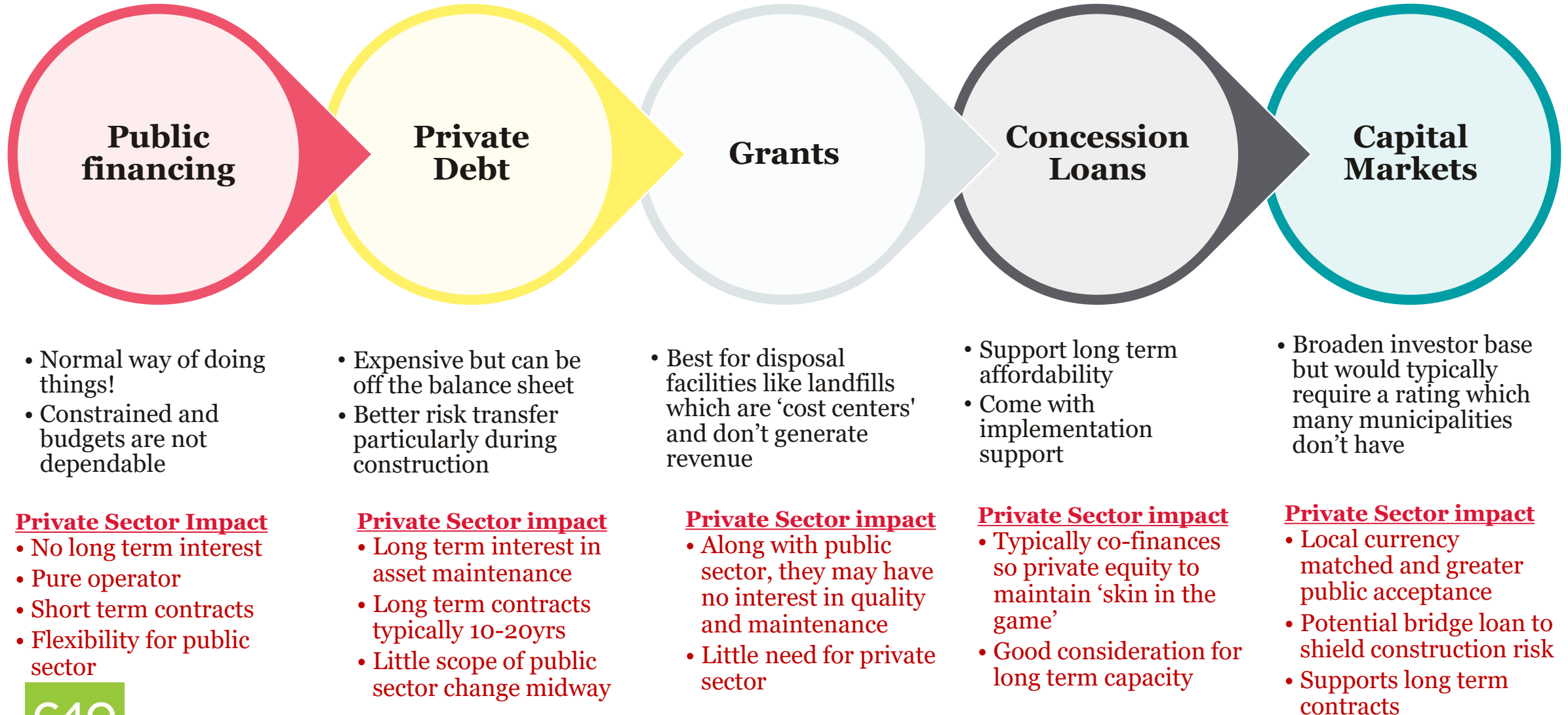
## Waste Treatment

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- Is there long term protection on my investment?
- Is the waste type and quantity guaranteed?
- Who takes the residual value if any on technology?
- What environmental standards apply?

# Project Financing

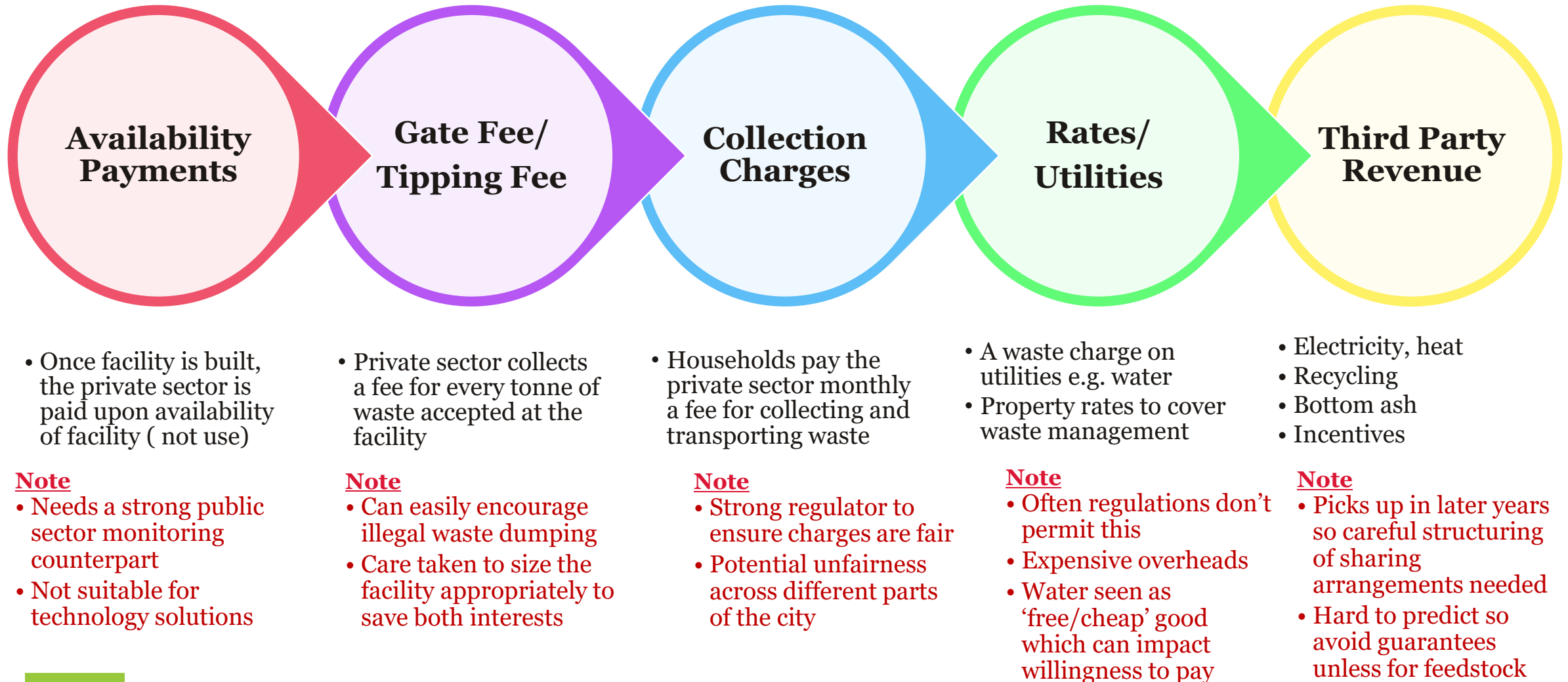
Who is paying for the construction of the project facilities





# Project Funding

How do I recover my invested money in the long run?



## 02.

# MANAGING RISK THROUGH PROCESSES

Transitioning from public participation to private participation entails risk- How do you manage it?





# Managing a process to get the right outcome

Focus on the key items to help mitigate risk

## Infrastructure:

- Seek development partner support for capital buy down costs, closing existing dumps, constructing landfill and transfer stations.

## Institutions

- Have the right legal and regulatory framework specifically designed for the waste management sector

## Financial Sustainability

- Careful consideration for long term planning through the design of taxes and fee structures

## Stakeholder Engagement

- Never under estimate the importance of total buy in across all stakeholders.....remember “**Not in my back yard**”

## Seek knowledge

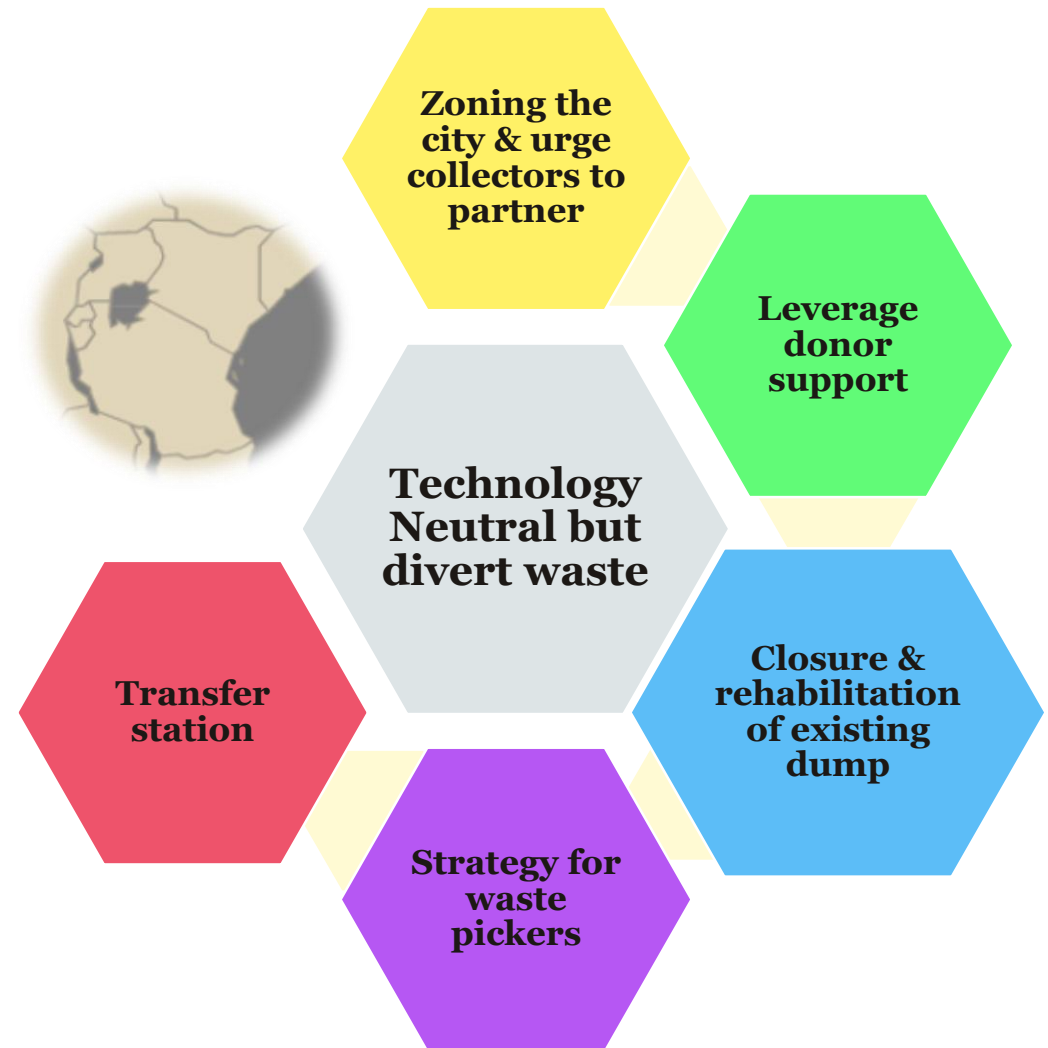
- Make use of development partner knowledge banks and learn from other countries.

# A case of Kampala Waste Management PPP

Facts about the existing situation and the PPP is being formulated

## Kampala is the Capital city of Uganda

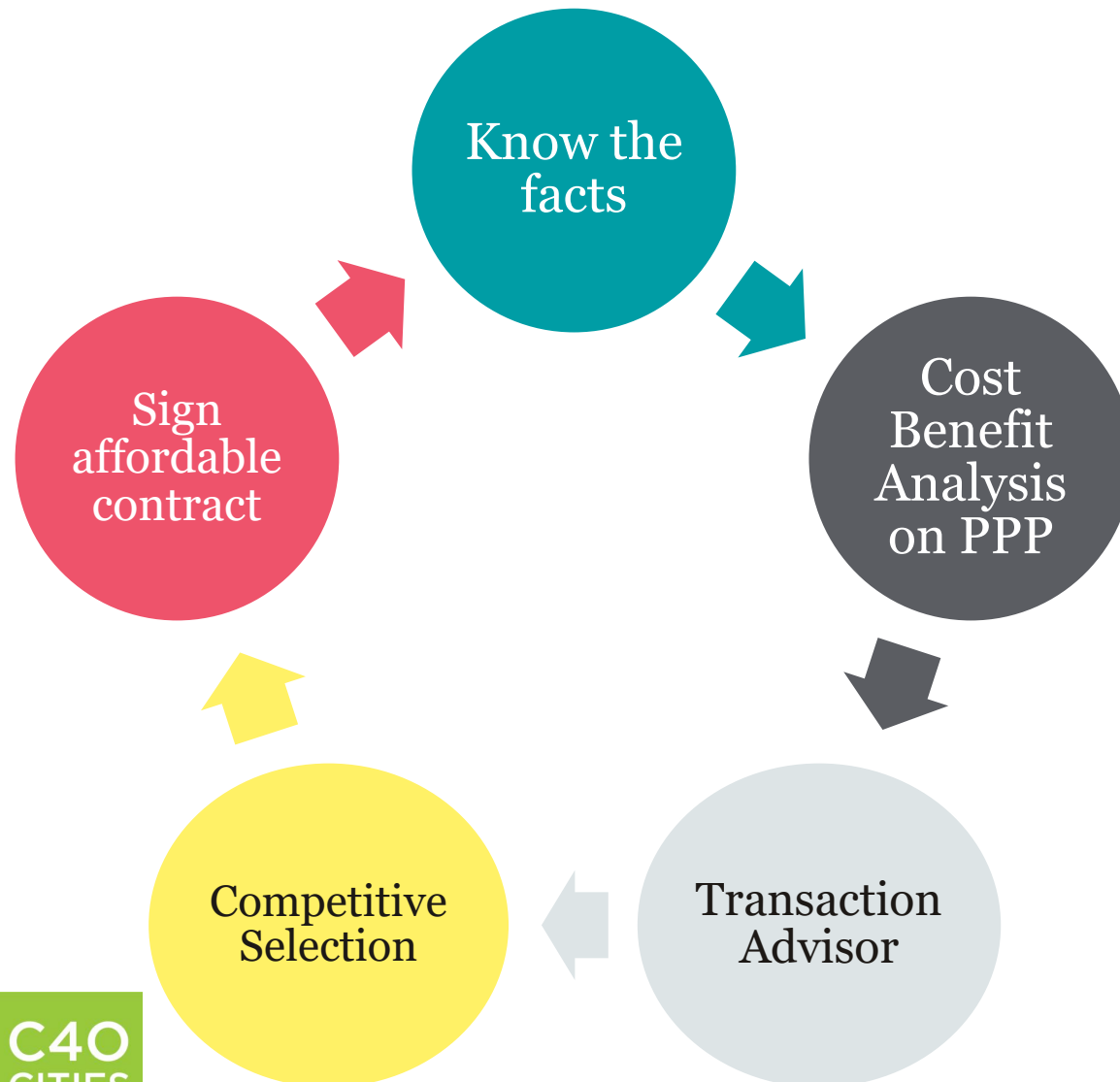
- One of fastest population growth rates in the world
- > 50 collection companies operating locally
- City council collects alongside private collectors
- High unemployment & politically sensitive
- Citizens don't pay the city for waste management
- Existing and only landfill is full – 15km from city
- 800 waste pickers operating at existing site
- >80 unsolicited offers received for energy from waste
- Excess electricity generation from cheap hydro
- City searched for 2years to find a new location for landfill
- New landfill location nearly 40km away in undulating terrain
- New landfill in a different district from Kampala





# Interested in PPP?

Consider these pre steps before signing on with any private entity

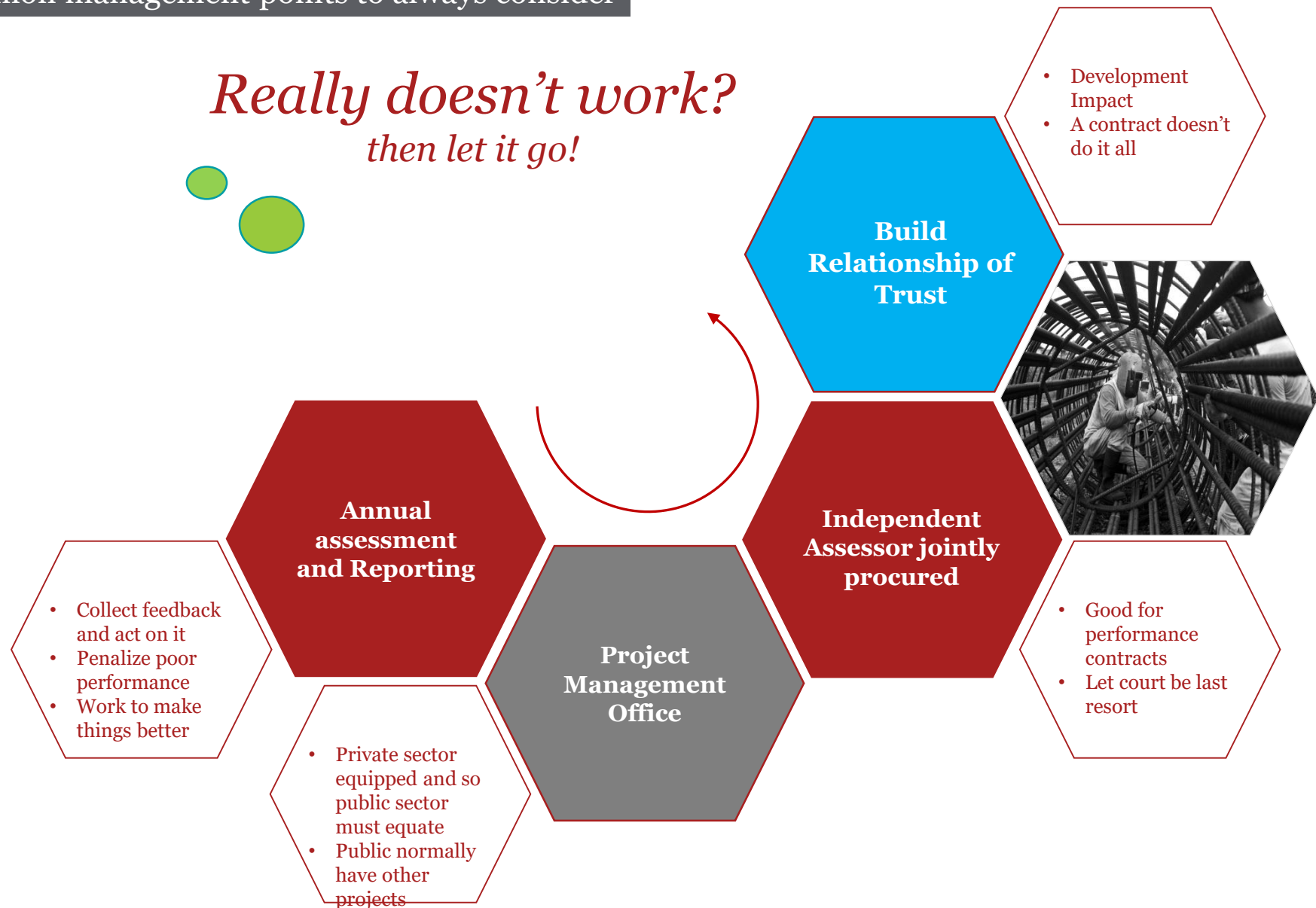


The Pre Steps	Consideration
<i>Know the facts</i>	Questionnaire with 50 asks
<i>Cost Benefit</i>	PPP or Not? Public Sector Comparator?
<i>Transaction Advisor</i>	Technical, legal, financial, affordability, stakeholder engagement, E&S, investor outreach
<i>Competitive Selection</i>	Private sector is not a charity. Also include local content
<i>Sign affordable contract</i>	What revenue base supports the contract being signed? What is the change/exit mechanic?

# So you have signed the contract

What are some of the common management points to always consider

*Really doesn't work?  
then let it go!*



# Lessons from the Past

Investors are also key stakeholders

formulate structured ICE  
(**information, communication,  
and education**) activities



**Waste quantity and quality** are  
determining factors

**flexibility in technology** selection

**Political championing** is necessary



**Land acquisition** is critical for the  
success of PPP projects





# Thank you

## CONTACT

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