



SUSTAINABLE MATERIALS MANAGEMENT AND RECYCLING MARKETS

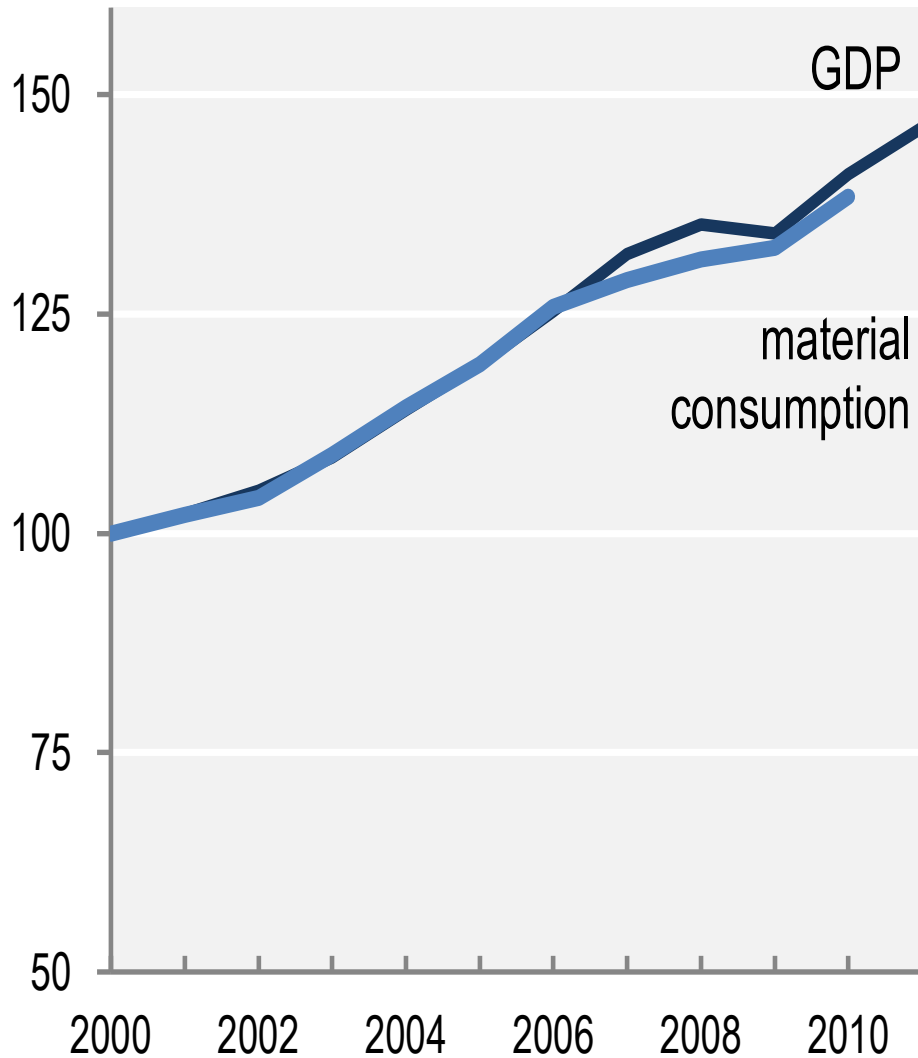
Peter Börkey– OECD Environment Directorate



Decoupling trends, 2000 to 2011

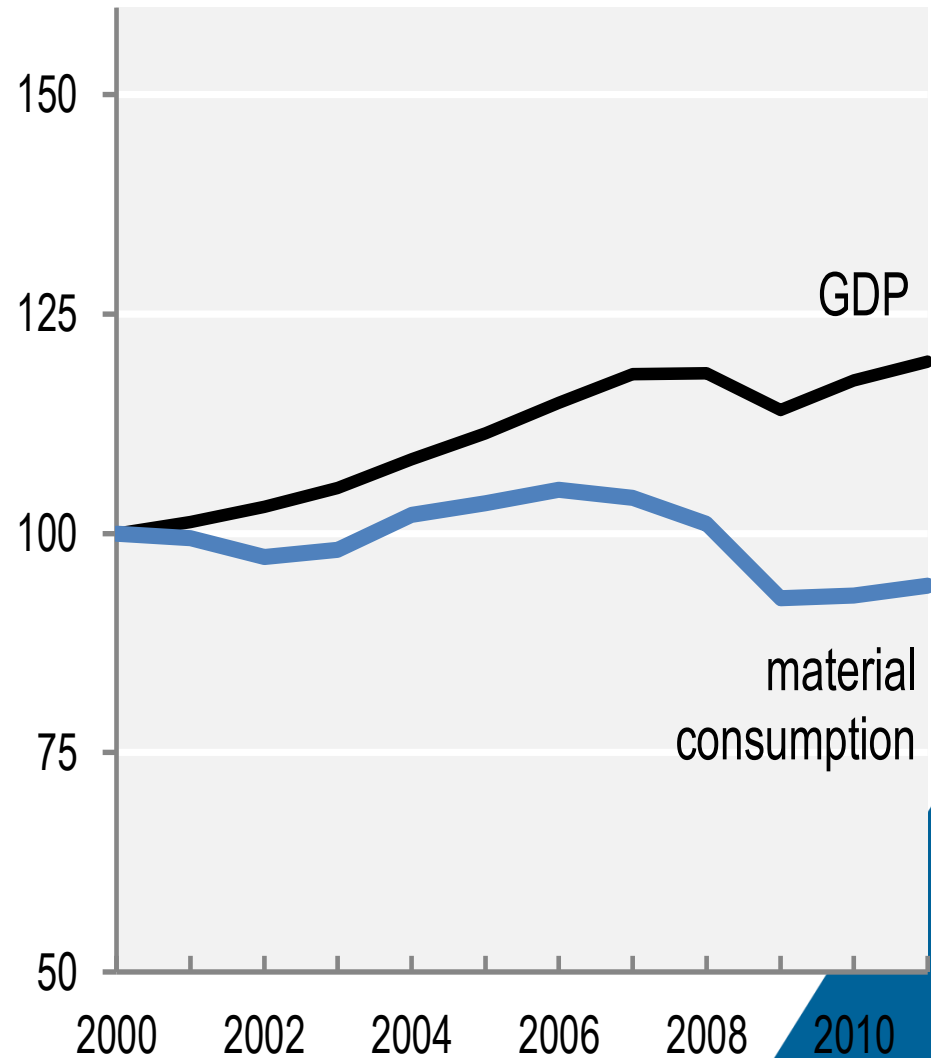
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World



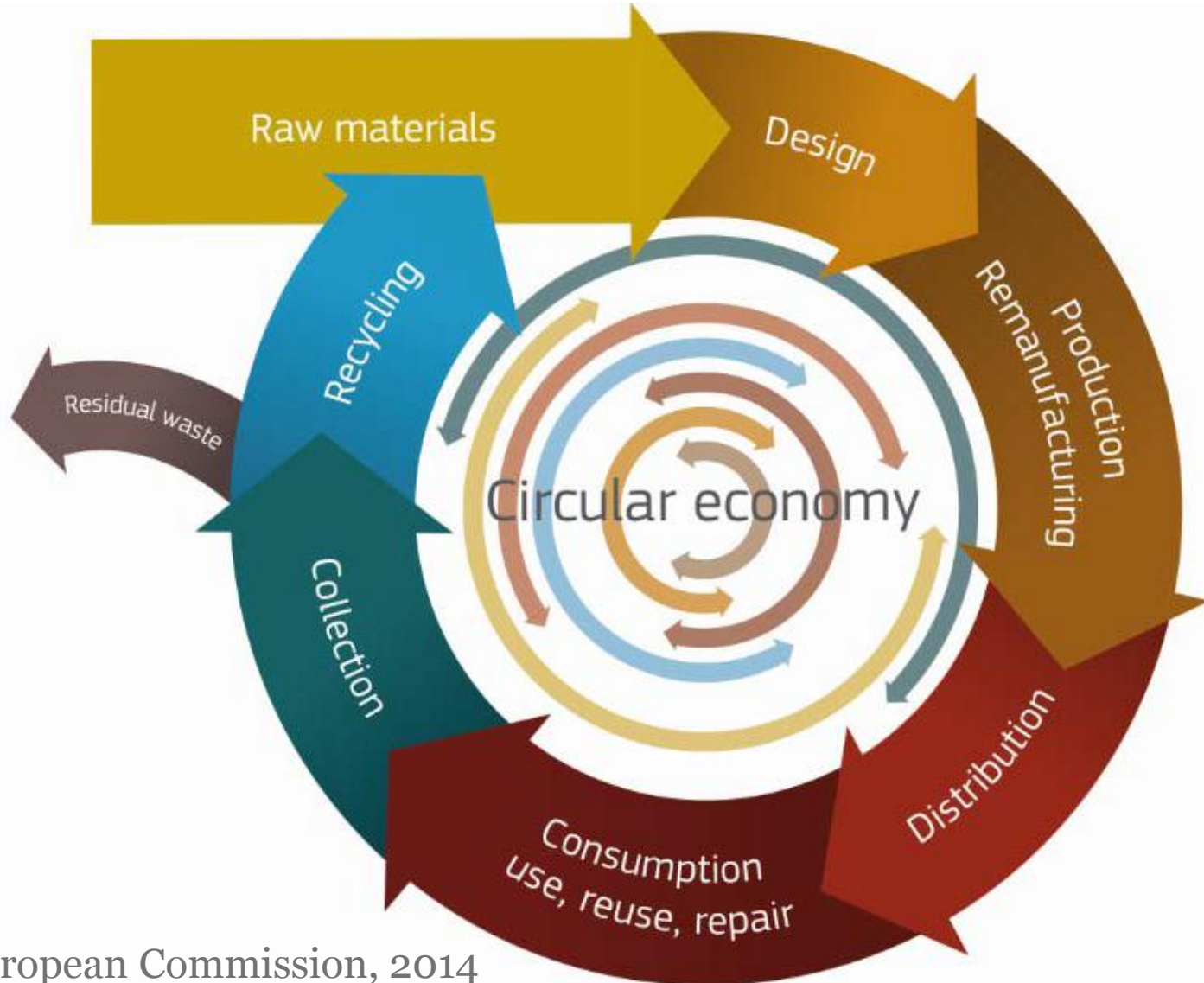
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OECD





The Circular Economy





Sustainable Materials Management

- Sustainable materials management, OECD working definition:
 - *approach to promote sustainable materials use*
 - *integrating actions targeted at reducing negative environmental impacts and preserving natural capital*
 - *throughout the life-cycle of materials*
 - *taking into account economic efficiency and social equity*
- Look beyond waste management to upstream life-cycle phases
- Requires the use of a policy mix, and
- Coordination accross policy areas





Mobile Phones: Increase collection, reuse and recycling

- Hoarding and weak collection rates – lack of information
 - Weak second hand markets – lack of information and trust
 - Handset bundling and locking – non-competitive markets
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- Triage standards (e.g. PAS 141)
 - Regulation of operators



The benefits of SMM/Circular Economy

1. Reduce life-cycle environmental impacts and improve policy coherence
2. Reduce dependency on raw materials and improve security of supply
3. Improved competitiveness at no or low cost
4. Contribute to growth and jobs



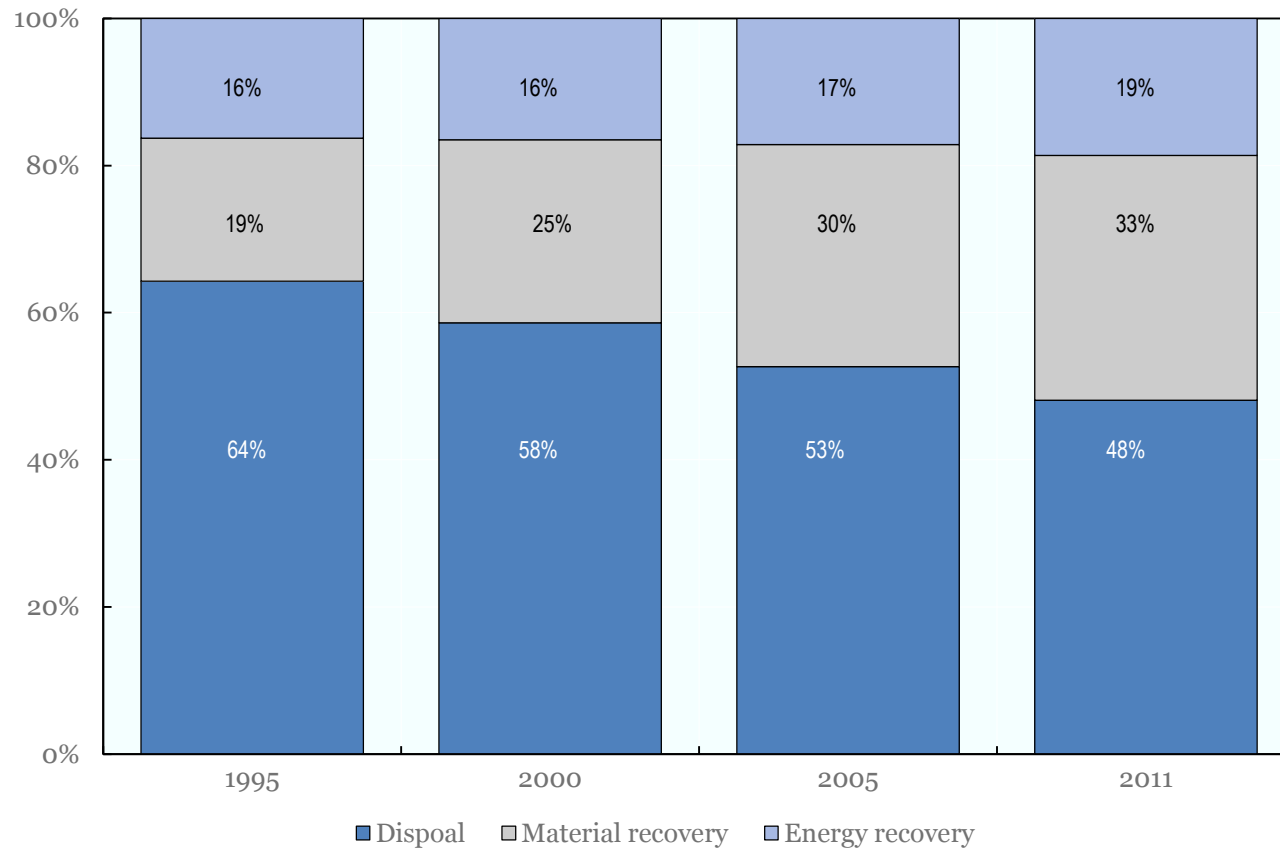
Recycling Markets at the Interface

- Interface between waste management and manufacturing
- But recycling markets are sometimes weak and inefficient
- OECD publication « Improving Recycling Markets »
- Identifies key market failures and barriers, as well as policy measures to overcome these





MSW treatment and disposal in the OECD – towards more material recovery



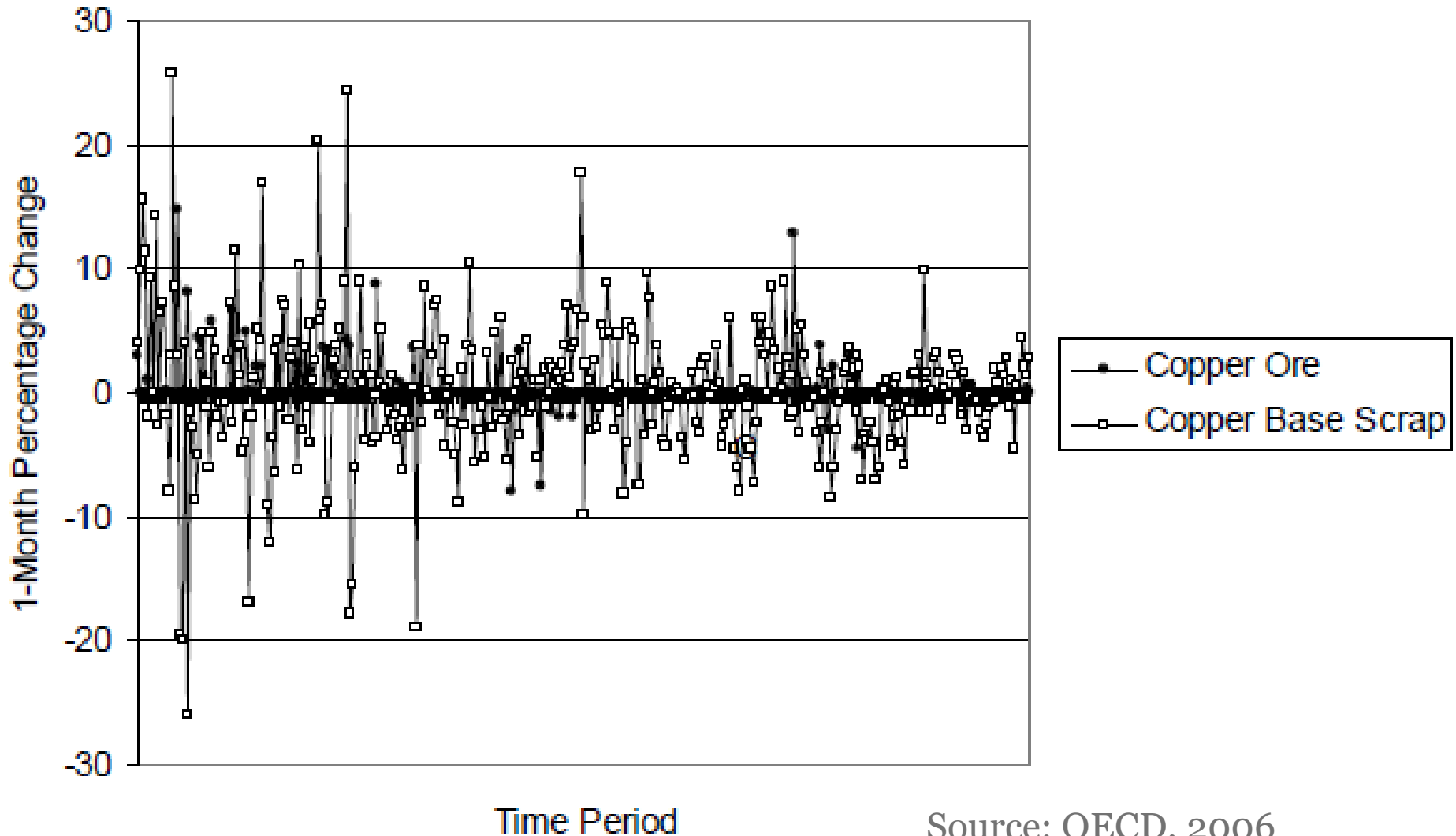


Key market failures and barriers

- Transaction and search costs
 - Price discovery
 - Search costs
 - Administrative costs
 - Bargaining costs
- Information failure and uncertainty
- Consumption externalities
- Technological externalities
- Market power



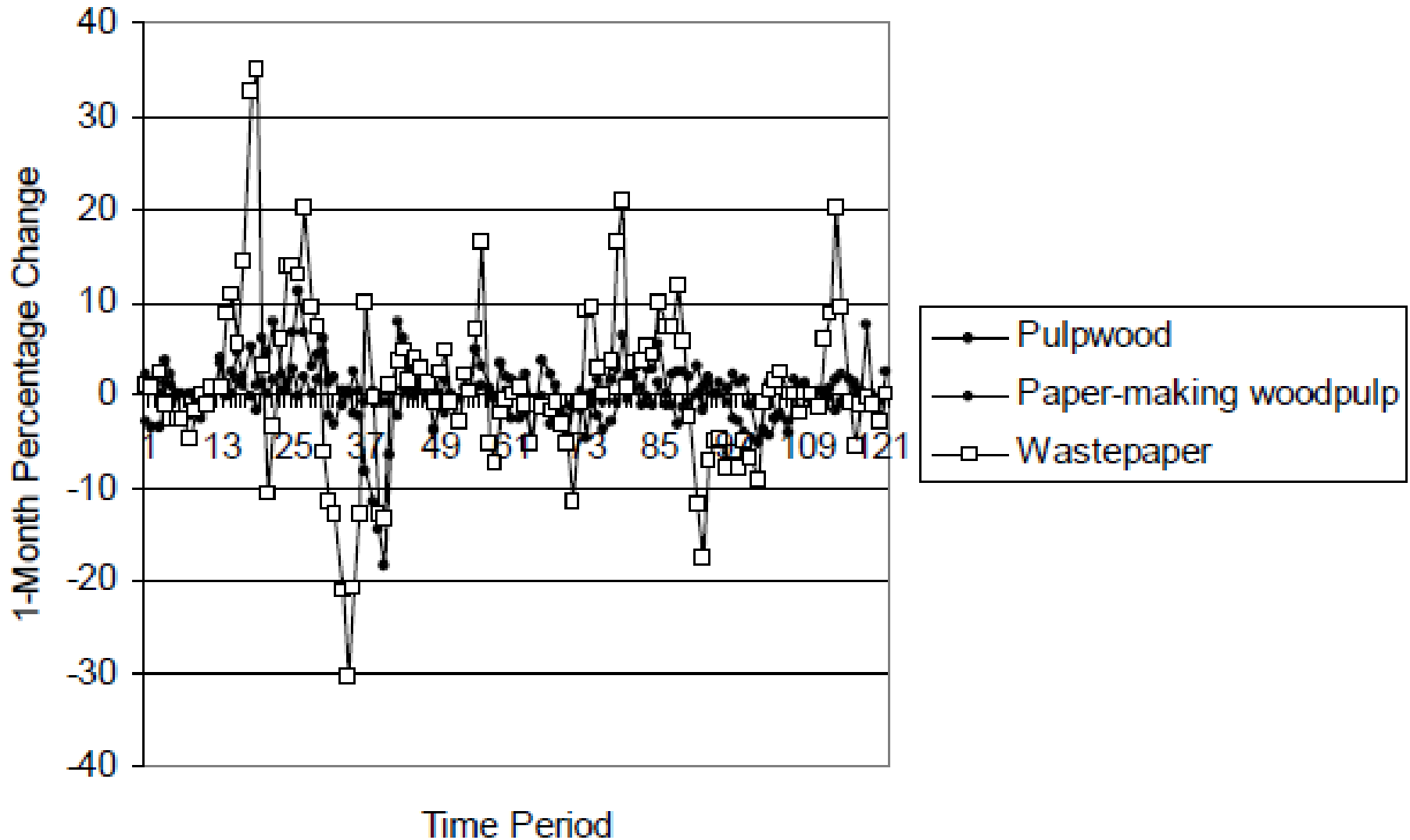
Price variation as an indicator of transaction costs (Copper, 1962 to 2001)



Source: OECD, 2006

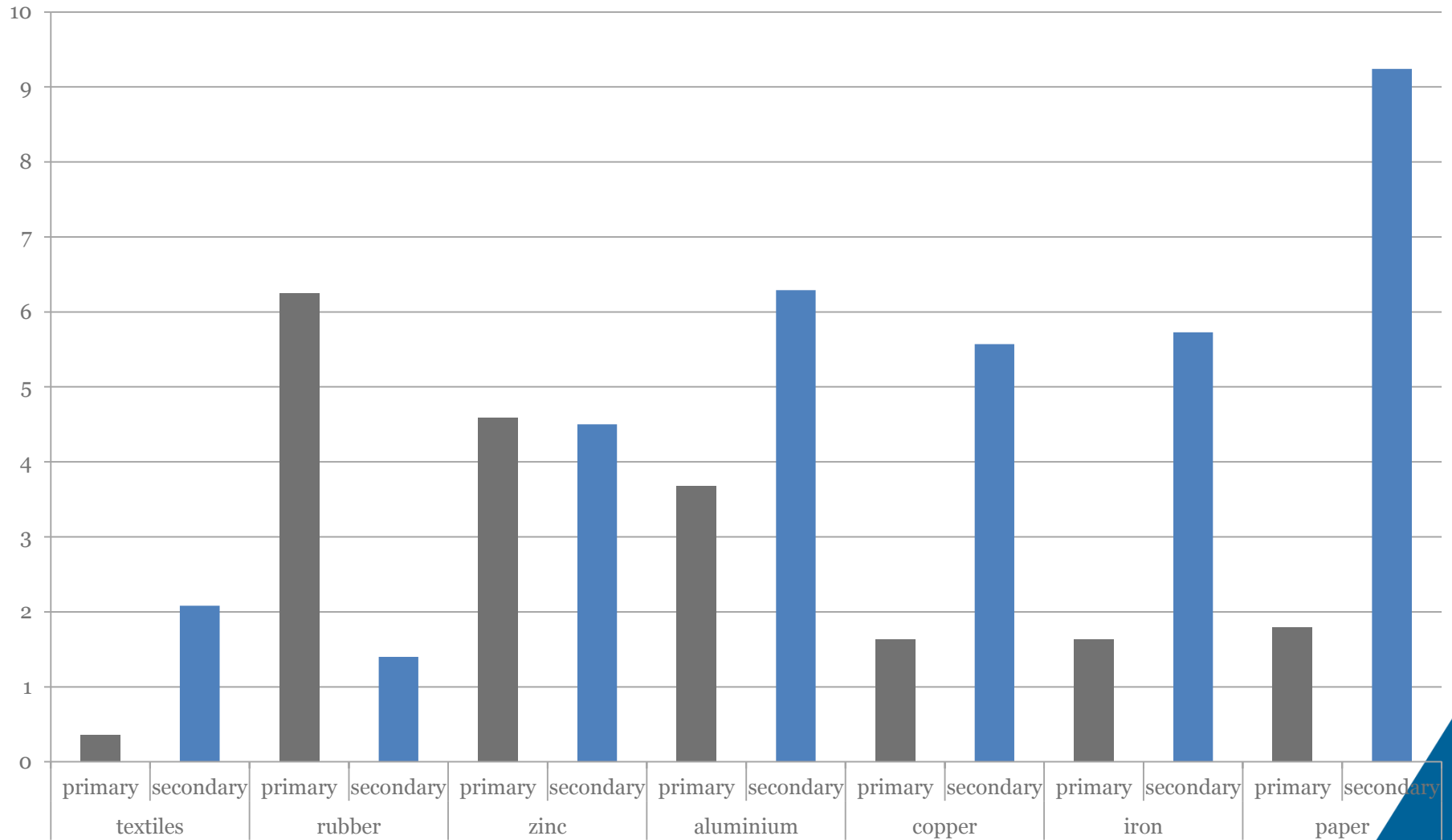


Price variation as an indicator of transaction costs (Paper, 1962 to 2001)





Standard deviation of monthly price changes (1962 to 2001)





Key policy measures

- Platforms for market information and web exchanges
- Support for development of grading specifications
- Promotion of industrial symbiosis approaches
- Demonstration projects
- Public procurement policies
- EPR and support for DfE
- Penalise mis-representation of quality
- Support development of low cost detection technology



In conclusion

- The market alone will not bring about the circular economy
- Transition needs to be supported by a complex policy mix to overcome barriers
- Policies need to be coordinated and aligned across policy areas



Further information

- www.oecd.org/env/waste
- www.oecd.org/env/policies/database
- www.oecd.org/env/policies
- www.oecd.org/env/taxes

- peter.borkey@oecd.org