

Public Private Partnership in Waste Management through IPLA: What does Private Sector Want?

"IPLA Global Forum on Zero Waste"
Seoul, Korea
4-5 September 2012

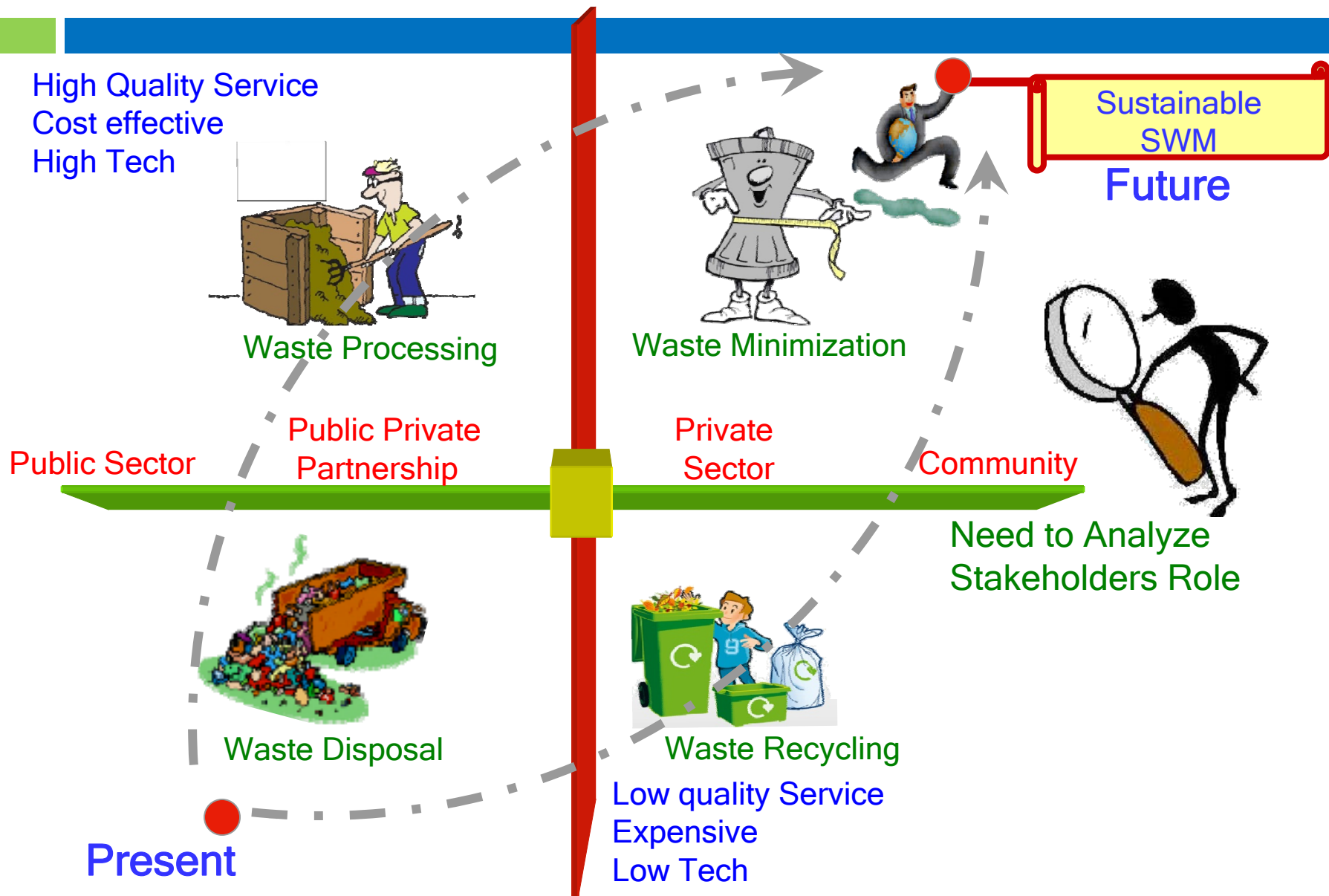


C. Visvanathan

Environmental Engineering and Management Program
Asian Institute of Technology
Thailand

Email: visu@ait.ac.th
<http://www.faculty.ait.ac.th/visu>

Calls for a Partnership...



Shifting the Roles of LAs

Municipalities from being a 'service provider' to 'facilitator of service', by focusing its activity on planning and management,

While a private company takes up the day to day operation.

What does Private Sector bring in ?

- Large Scale Financial Capital Injection
- Technical & Management Expertise in SWM
- Improve Operating Efficiencies in the system



LAs on the Look out for the Partnership with Private Sector

Some of the Indian Municipalities adopting PPP basis of Integrated solid waste Management

- Asansol Durgapur
- West Bengal
- Coimbatore City Municipal Corporation
- Guwahati Municipal Corporation
- Hyderabad Municipal Corporation
- Mudurai Municipal Corporation
- Kerala

Notification inviting Expression of Interest from Accredited Agencies/Service Providers/registered NGOs for providing high level toilet blocks for domestic units with or without Bio-gas linked at kuttanad area in Alleppey district, Kerala

Requests for Qualification (RFQ) are invited for Integrated Municipal Solid Waste Processing Project (IMSWPP) at Brahmapuram, Kochi through Public Private Partnership (PPP) mode on a Design-Build-Finance-Operate-Transfer (DBFOT) format

RFQ Document

Due date for submission of RFQ for Integrated MSW Processing Project at Kochi is fixed at 4.30 pm on 09 July 2012, at PWD Rest House Hall, Thycoud, Thiruvananthapuram

RFP document of baling and wrapping services of Municipal Solid Waste

Decisions of the pre-bid meeting of Baling and Wrapping of MSW

Inviting Request for Qualification (RFQ) for Integrated MSW Processing Projects at 5 Urban Local Bodies in Kerala through Public Private Participation

RFQ document for Bantolbada

RFQ document for Kannur

RFQ document for Kollam, Thrissur, and Kottayam will be uploaded soon:

For more information please contact 09895623767 (Suchitwa Mission) / 09447768780 (ICICI - KINFRA)

Local Self Government Department, Kerala

Link: <http://sanitation.kerala.gov.in/docs/advertisement%20five%20ulbs.pdf>

Project Profile

Location	India	Project website	Sanitation Kerala
Current status	RFQ launched	Official release	Notice
Deadline	6 August 2012	EOI / RFQ / RFP	Pay for download
Capital Value		Other documents	

Project history

The project involves the development of solid waste treatment projects on PPP mode via Design Build Finance Operate Transfer (DBFOT) format at the following locations at the capacity as specified:

- * Njelianparambu, Kozhikode (150 – 250 tonnes per day)
- * Laloor, Thrissur (150 – 250 tonnes per day)
- * Kureepuzha, Kollam (150 – 250 tonnes per day)
- * Chelora, Kannur (50 – 100 tonnes per day)
- * Vadavathoor, Kottayam (50 – 100 tonnes per day)

- 30 June 2012: [Tender launched](#).

Notice Inviting Request for Qualification (RFQ) for integrated Municipal Solid Waste Processing Projects at five Urban Local Bodies in Kerala through PPP mode on Design-Build-Finance-Operate-Transfer (DBFOT)

LAs on the Look out for the Partnership with Private Sector Cont.

**CONSTRUCTION & DESIGN SERVICES**
UTTAR PRADESH JAL NIGAM, 2, Lal Bahadur Shastri Marg,
Lucknow, Tel : 91-0522-2237768, 2237801, 2235573 Fax : 0522-2239088,
Email : director@cdsupjn.org. Visit us at : www.cdsupjn.org

No. 218/G-02-07/132 **Date : 19th June 2009**

Expression of Interest

C &DS, U.P. JAL NIGAM has been given responsibility for award and execution of MSW projects on BOT (PPP) basis

These projects are grouped into following three packages which is integral part and referred as one package.

1- Collection & Transport 2-Processing and Treatment of Solid waste
3-Operation & Maintenance of Processing plant and SLF

These projects will be set up under various ULB's of Uttar Pradesh as follows:-

Sl. No.	Place	T.P.D.	Estt. cost in Lacs	Sl. No.	Place	T.P.D.	Estt. cost in Lacs
1.	Ballia	40	373.70	3.	Sambhal (Moradabad)	75	521.69
2.	Badaun	55	488.60	4.	Basti	40	390.98

The above mentioned Local Bodies are collecting, transporting and disposing off MSW at various spots. These Local Bodies are actively considering the proposals for Scientific Processing and Development of Sanitary Land Fill at an appropriate site. In order to reduce burden on the SLF and in accordance with MSW Rules 2000, it is proposed to set up an Integrated MSW Processing facility with Private-Public- Partnership under UIDSSMT programme on BOT basis. Details Terms, Conditions & eligibility criteria is available on our website www.cdsupjn.org **Director**



Private Sector on the Look out for Partnership with LAs

- Unilever's Sustainable Living Plan launched in 2010, “ working in partnership with industry, governments and NGOs to increase recycling and recovery rates on average by 5% by 2015, and by 15% by 2020 in our top 14 countries.”
- In August 2011, under the same plan Unilever looked for partnership arrangement with a local authority by offering financial support for mixed plastics recycling collections (pots, tubs and trays)

Source: http://www.edie.net/news/news_story.asp?id=20553

Presence of Private Sector –Business Opportunities



- Veolia Environmental services is present globally in 31 countries, and in developed Asian countries- China, Singapore, South Korea, Taiwan offering its municipal waste management services.

- 1) Household waste collection in the district of Wong Tai Sin, Hong Kong. Since May 1, 2006, total turnover of €4 million Euros over the 5 year period.
- 2) Operations and maintenance contract (O&M*) for a Waste-to-Energy plant for non-hazardous waste in Ilan County, Taiwan. Since January 2006, a cumulative turnover estimated at €44 million Euros over a 20 year period.

Presence of Private Sector –Business Opportunity



Windrow Composting
Vietstar Joint Stock Company
Address: Municipal Solid Waste
Treatment Complex, Cu Chi District,
Ho Chi Minh City, Vietnam
Technology Provider: Lemna
International, Inc., U.S.A.

National policies of Vietnam is favorable for FDI. It also has a strong policy on promotion of 3R and is set to achieve a recycling rate of 70% from the total municipal solid wastes by the year 2015.

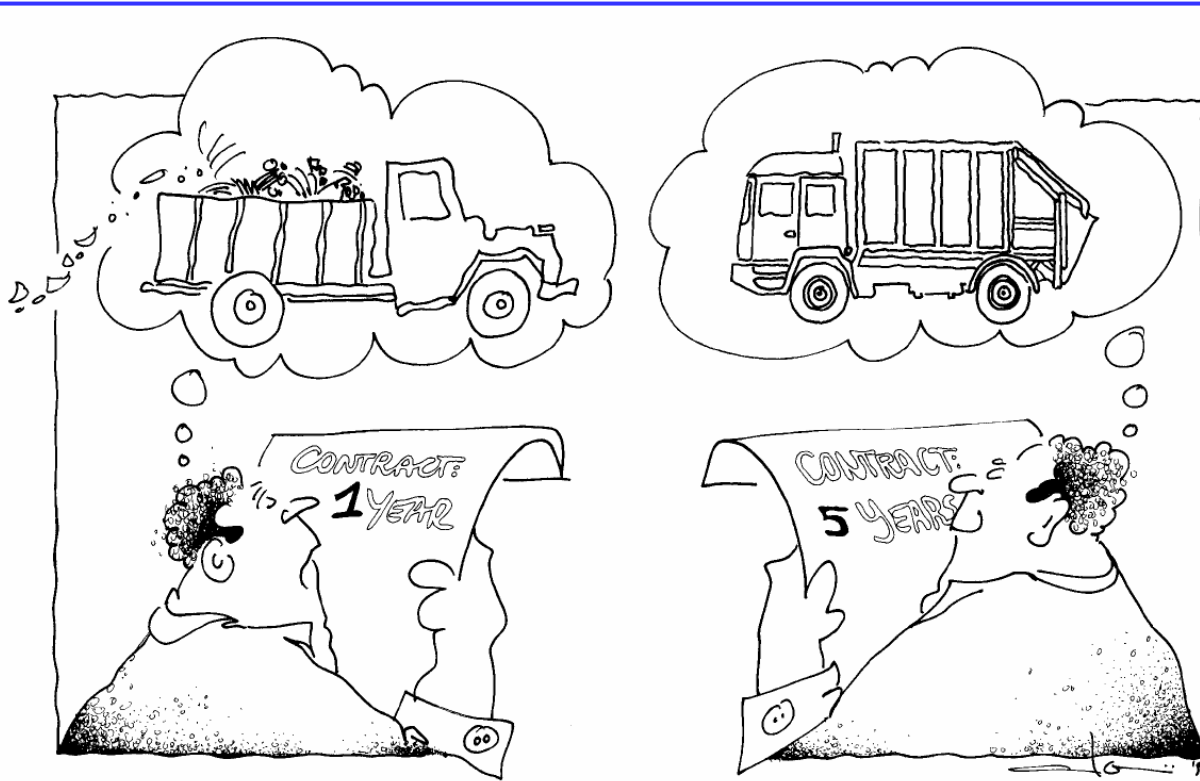
Presence of Private Sector –Business Opportunity



Methane gas recovery project with Italian company in Payatas landfill in Quezon City, Metro Manila

Contract Period

- To attract private sector participation and cut service costs, municipal authorities must establish appropriate contract periods. A period that is long enough to enable the contractor to repay loans taken to purchase the efficient equipment or refinance the facilities for the work



If a contract or other form of agreement is for a period of five years or more, the entrepreneur is able to pay back a loan that enables him to buy suitable vehicles. If the duration of the agreement is for one year, he probably cannot afford to buy efficient vehicles and must try to provide the service with vehicles that are old and inefficient.

Taken from: Guidance Pack. Public Private Participation in municipal solid waste management
http://rru.worldbank.org/Documents/Toolkits/waste_fulltoolkit.pdf

Private (Informal) Sector Participation-Pro-Poor PPP (5Ps)

- Investment arrangements between local governments and the (organized) informal sector

Example: Three organizations of waste pickers in Mumbai, Aakar, Stree Mukti Sanghatna and Forum of Recyclers Communities and Environment (FORCE) in Mumbai are registered Non-government Organisations (NGOs), and are recognised by the Municipal Corporation of Greater Mumbai (MCGM) for issuing identity cards to waste pickers, and have entered into contractual arrangements with the MCGM

In addition, Stree Mukti Sanghatna and FORCE have the following arrangements with the MCGM:

- Vehicle provided by the MCGM for collection of recyclables
- Space for running scrap shops

Private (Informal) Sector Participation-Pro-Poor PPP (5Ps) Cont.

E-WaRDD & Co., Bangalore, India

Recycling unit before formalization, 2006



Recycling unit after formalization



Interaction with Private Sector

IPLA Forum of the Private Sector

23 February 2012, Nagoya, Japan

Organizers:

- United Nations Centre for Regional Development (UNCRD)
- Asian Institute of Technology (AIT)

Attended by: 34 participants,

- 22 representatives from the private sector in waste-related businesses such as general and industrial waste processing, recycling (e.g., materials, electric equipment, and e-waste), construction of facilities and maintenance, waste-to energy production, consulting

What Does Private Sector Want?

- Information

Accurate and adequate information to grasp the local needs and situation for formulating a feasible investment plan

- Contact person and address
- Decision-making structure and mechanism
- Policies at the local and national levels
- Priorities/needs of LAs
- Information on local partner companies (e.g., Past experiences)
- Financial and cost information (e.g., Waste collection/processing cost per ton, market rate and average unit price)
- Performance and experiences (e.g., PPP, partnership with foreign companies)
- Comments from partners of a previously implemented project
- Detailed case studies (e.g., Place and cost)
- Tender information
- Evidence of figures (e.g., Year and source): Data Reliability

What LA & Private Sector Should Do?

- Basic policy and technology framework to be present in the country of business- example **one window** licensing facility
- Not-a-piece meal but a holistic business opportunities

In developing countries, private sector's involvement is usually limited to hardware-selling or installing a technology/facility. Need for long term holistic business as well as soft ware such as capacity building aspects
- 5Ps: Pro-poor Public Private Partnership
- Partnering with local companies
- Proper involvement of the informal sector (though micro enterprises)

IPLA Meeting, 23 Feb 2012, Nayoga Japan

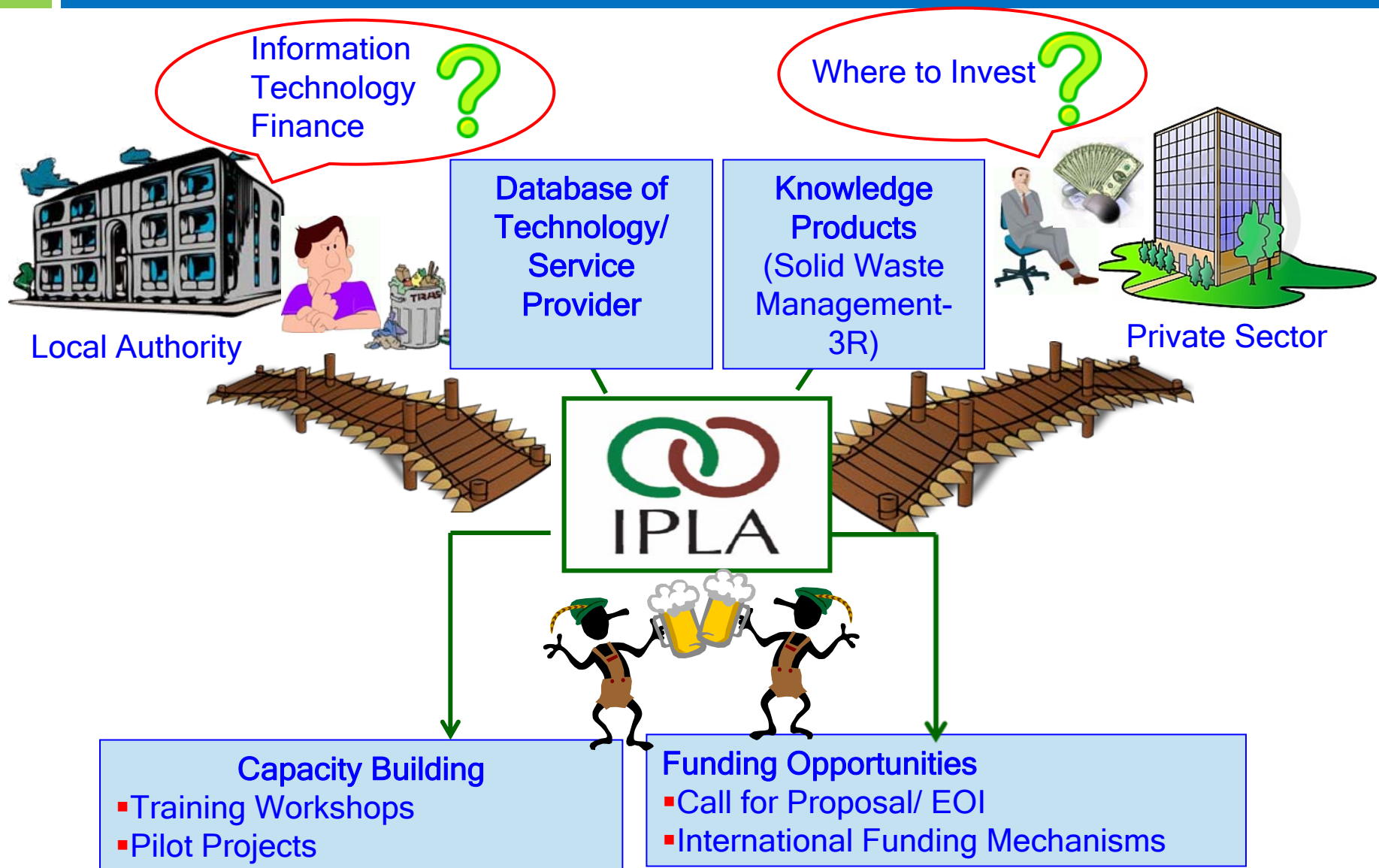
Safety Net Required for Private Sector Investment...

How far the private sector is willing to take certain level of “Risks?”



What are the “Safety Net” required by businesses & industries ? Ex-Licensing, tax subsidies, information...

What can IPLA Offer?



Geographical Coverage



149 Members as of August 2012

List of partners until now: http://www.uncrd.or.jp/env/ipla/index_form.htm

List of Private Sector IPLA Members (As of August 2012)

Asia

- King Enterprise LLC (Japan)
- DOWA ECO-SYSTEM Co., Ltd.(Japan)
- Midac Co., Ltd. (Japan)
- Abellon Clean Energy (India)
- Infrastructure Leasing & Financial Services Limited (IL&FS) (India)
- Blocon, Inc. (Republic of Korea)
- Bionersis (Thailand)
- Al Boucai Group (Jordan)

Europe

- 3R Environmental Technology Group (Hungary)
- Tega SA (Romania)
- Innovation und Technik GmbH (Austria)

Australia

- TES-AMM Australia Pty Ltd, Australia

Source: http://www.uncrd.or.jp/env/ipla/index_form.htm

List of Private Sector IPLA Members (As of August 2012) cont.

South America

- Gestion Organica GEO SAS (Colombia)
- Ibicol Ltda (Colombia)
- Plastichem Ltd (Colombia)
- Asomuña (Colombia)
- Utilities SAS (Colombia)
- Ciudad Limpia Bogota (Colombia)
- Camara de Integracion Economica Venezolano-Colombiana (CAVECOL) (Venezuela)

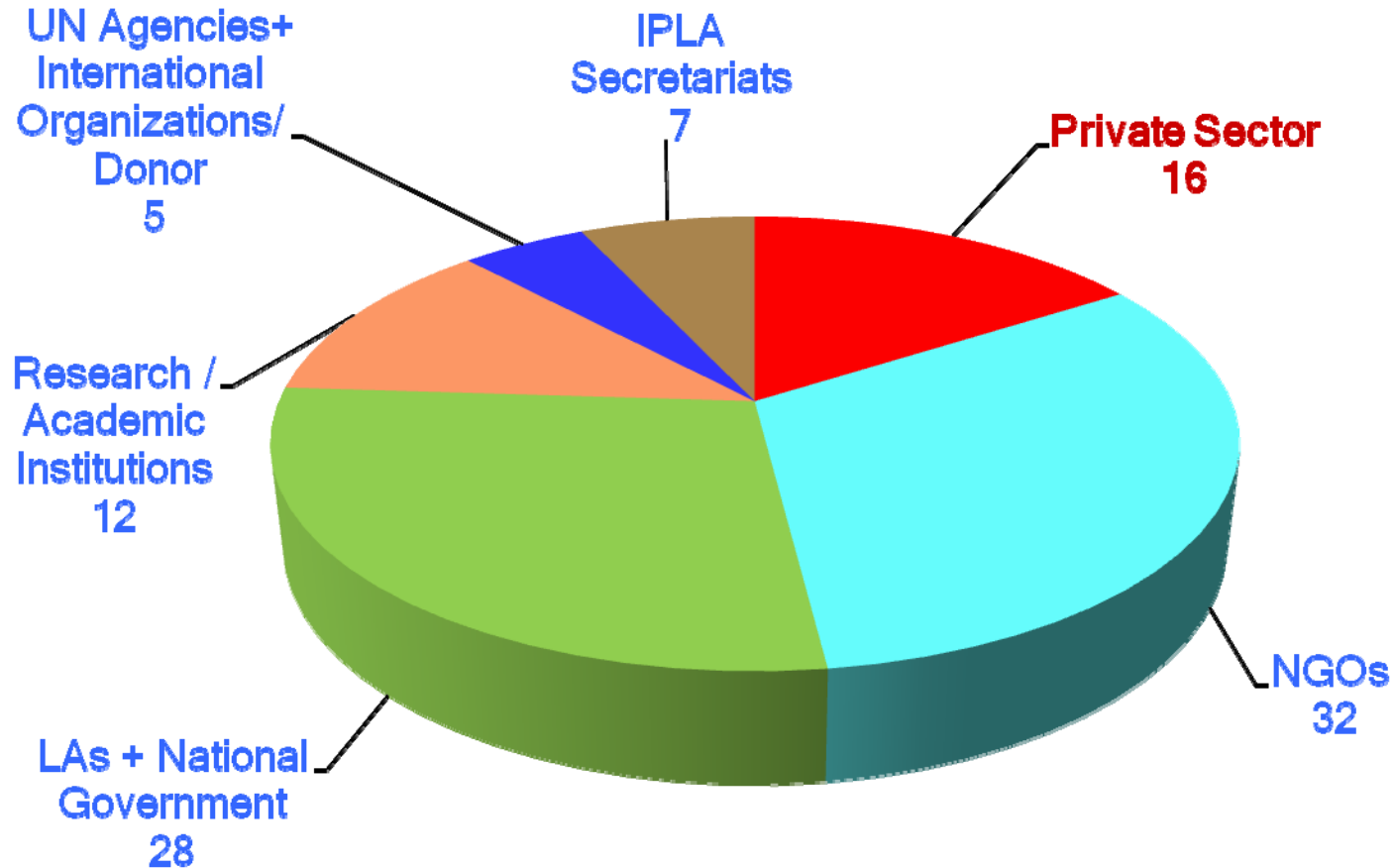
Africa

- Environ-Waste Nigeria Limited (Nigeria)
- Richbol Environmental Services (Nigeria)
- Green Page Integrated Services Ltd. (Nigeria)
- Zoomlion Ghana Limited (Ghana)
- Malians Waste Management (Mali)



Source: http://www.uncrd.or.jp/env/ipla/index_form.htm

IPLA Membership (%)



Discussion Points

As an IPLA member, what would you expect?

- What types of information and knowledge should IPLA provide that interests both LAs and Private sector?
- What are your suggestions to make IPLA web-portal more interactive and useful to private sector?
- What are your expectations from the IPLA Global and Regional Secretariats?



Thank you For Your Attention..!!

