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SUSTAINABLE DEVELOPMENT GOALS

How can trade facilitation and Customs contribute to SDGs, especially in managing transboundary movements of plastic waste and e-waste?

(Item XIII on the Agenda)

I. Background

1. During the 223rd/224th Sessions of the Permanent Technical Committee (PTC), several WCO Members acknowledged the role that Customs can play to support the achievement of the United Nations 2030 Agenda for Sustainable Development and the associated Sustainable Development Goals (SDGs) aimed at attaining environmental sustainability.[1]

2. Having acknowledged Members' interest in the environmental aspects of SDGs, the WCO Secretariat wishes to propose a potential approach to meet Members' expectation of Customs' role in implementing and enforcing trade-related Multilateral Environmental Agreements (MEAs). Given the broad scope of the above-mentioned environmental issues, this document aims to suggest ways to address the most urgent threats related to waste, with specific reference to plastic and e-waste, under the cooperation framework within the Basel Convention[2] Secretariat.

3. In terms of the SDGs, the Secretariat would like to explore the possibility of boosting Customs' role in taking relevant steps towards the achievement of the following SDGs and related targets to tackle the most urgent environmental crisis involving plastic waste and e-waste, in order to further support sustainable supply chains.

Goal 12: Ensure sustainable consumption and production patterns

[1] The working document PC0546E1a on "SDGs: Environmental sustainability for global supply chains: challenges and implications for Customs control and facilitation" was discussed at the 223rd /224th Sessions of the PTC.

[2] The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention), which entered into force in 1992, regulates cross-border movements of "hazardous" and "other wastes". The Convention now has 170 Contracting Parties.

Indicator 12.4.1: Number of parties to international multilateral environmental agreements on hazardous waste, and other chemicals that meet their commitments and obligations in transmitting information as required by each relevant agreement, **with particular reference to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention**); and the Rotterdam Convention on the prior informed consent procedure for certain hazardous chemicals and pesticides in international trade.

Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Target 14.1: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.

Indicator 14.1.1: Index of coastal eutrophication and floating plastic debris density.

II. Emerging threats of plastic waste and e-waste

Plastic waste

4. Statistics suggest that plastic accounts for around 10% of the total waste generated and constitutes approximately 90% of all debris floating on the ocean's surface.[3] However, only 9% of plastic waste has been recycled globally, with the overwhelming majority of the world's plastic waste being landfilled or ending up contaminating the environment (80%).[4]

5. In 2016, the world generated 242 million metric tons (mt) of plastic waste. This waste primarily originated from three regions: 57 million mt from East Asia and the Pacific, 45 million mt from Europe and Central Asia, and 35 million mt from North America[5].

6. Africa and the Asia/Pacific regions are key destinations for large shipments of waste, especially e-waste, plastic and various scrap metals. In West Africa, major recipients include Côte d'Ivoire, Ghana and Nigeria. In Asia, favoured destinations include Bangladesh, India and Pakistan in the South, and China, Hong Kong (China), the Philippines and Vietnam in the Far East.[6]

E-waste

7. According to the United Nations University's Global E-waste Monitor, the generation of e-waste has grown to 44.7 million mt annually, the equivalent of 6.1 kilogrammes per inhabitant (kg/inh) of e-waste annually in 2016. This amount is expected to increase to 52.2 million mt, or 6.8 kg/inh, by 2021.

8. Globally, only 8.9 mt of e-waste are documented for collection and recycling, corresponding to 20% of all the e-waste generated. The fate of 76% (34.1 mt) of e-waste is unknown; this is likely dumped, traded or recycled under inferior conditions.

[3] http://basel.int/Implementation/Plasticwastes/Overview/tabid/6068/Default.aspx
[4] https://www.unenvironment.org/interactive/beat-plastic-pollution/
[5] http://datatopics.worldbank.org/what-a-waste/tackling_increasing_plastic_waste.html
[6] https://mag.wcoomd.org/magazine/wco-news-88/illegal-waste-trafficking-more-data-is-key-to-getting-a-better-grip-on-this-trade/

9. In 2016, Asia was the region that generated by far the largest amount of e-waste (18.2 mt), followed by Europe (12.3 mt), the Americas (11.3 mt), Africa (2.2 mt) and Oceania (0.7 mt).

10. In countries where there is no national e-waste legislation in place, such waste is likely to be treated as other or general waste. This is either landfilled or recycled, along with other metal or plastic waste.

III. Preliminary needs assessment

11. In the framework of WCO enforcement and compliance activities, the WCO launched the Environment Programme in 2012 in order to participate in the **Green Customs Initiative**, aimed at combating environmental crime including illegal trade in hazardous and other waste. A number of enforcement operations have been conducted to help build Members' capacity in this regard.

12. The Secretariats of the Basel Convention and the WCO have been continually working together to review and identify the corresponding codes under the Harmonized System (HS) for waste covered by the Basel Convention. In recent editions of the HS, new or improved provisions have been made for a wide range of environmentally sensitive goods. The use of specific HS classifications for goods of concern has enabled better monitoring and use of targeted actions with respect to licit trade in sensitive goods.

13. Having acknowledged an increase in requests by Members to bolster measures to cope with the threats posed by inbound plastic waste and e-waste, the WCO Secretariat has attempted to carry out a preliminary needs assessment. The aim of this assessment is to reflect on how to strengthen the WCO's role in managing transboundary movements of waste within the framework of the Basel Convention, by leveraging the various relevant WCO tools and instruments in this field.

14. Bearing in mind that this is a cross-cutting matter, a combined compliance and procedural approach should be adopted towards providing effective hazardous waste management and control.

Lack of data on illicit waste

15. In order to gain a snapshot of illicit trade flows in waste, in 2009 the WCO initiated a five-week joint Customs enforcement operation called Operation DEMETER. This and subsequent DEMETER Operations targeted illicit cross-border shipments of hazardous and other waste *en route* from seaports in Europe to seaports in Africa and the Asia/Pacific region.

16. Despite Operation DEMETER IV in 2018 having produced the best results in terms of the number of participating Members (75) and the volume of waste seized, the amount of data collected during the course of an operation is not sufficient to gain a clear picture of this trade; instead, it merely provides a snapshot of what is happening on the ground.[7]

17. Only one country shared information about seizures of environmental waste products in 2017 on the CEN platform, indicating the need to further assist Members in enhancing their capacity to control and report on this typology of goods.

[7] https://mag.wcoomd.org/magazine/wco-news-88/illegal-waste-trafficking-more-data-is-key-to-getting-a-better-grip-on-this-trade/

Burdensome nature of the notification procedure

18. The notification procedure was laid down in the Basel Convention to ensure that waste does not leave a State without being authorized to do so and that the waste does not enter a State of import or State of transit without consent. The notification procedure is enforced to ensure a high level of protection of the environment and human health.[8]

19. A recent analysis of cross-border waste management in Europe revealed that the notification procedure for waste shipments is generally administratively burdensome. The lack of harmonization between existing classification systems has created major challenges in determining the nature of waste. This is turn leads to many compliance difficulties for businesses and challenges for government institutions in applying the appropriate measures right from the point of export.

20. There is also a lack of digitalization and standardization as well as inconsistent implementation approaches among different countries, indicating that there is substantial room for improvement in this field.[9]

Customs control requirements in importing countries

21. As transboundary movements of waste, especially plastic and e-waste are an emerging phenomenon, waste importing countries may not have a national enforcement database for collecting, analysing and sharing information on offences and offenders, or may not have risk profiles of companies likely to become involved in the waste trade. Moreover, there may be a lack of standards for dealing with the re-export of inadmissible consignments, resulting in difficulties handling the consignments at arrival and generating controversy among the countries involved.[10]

Implementation of the Basel Convention and its amendments

22. As Customs plays an important role in controlling the flow of cross-border hazardous wastes, some of the breakthrough amendments to the Annexes to the Basel Convention will have a significant impact on WCO Member Customs administrations' scope of work and regulations in this area.

23. For example, 5 December 2019 will see the entry into force of the amendment (called the 'Ban Amendment') that restricts the export of hazardous wastes destined for disposal from Parties and Other Members of the OECD, EU, Liechtenstein (included in the new Annex VII to the Convention) to all other Parties to the Convention, some 24 years after its adoption at the 2nd Meeting the Conference of the Parties (COP).[11]

24. Recently, the 14th Meeting of COP to the Basel Convention (held in Geneva, Switzerland on 10 May 2019) adopted further amendments to the Annexes in order to include plastic waste, the establishment of a partnership on plastic waste, and the interim

[8] http://archive.basel.int/convention/bc_glance.pdf
[9] J.L.E.W. Daalmans BA LLB, "Enhancing cross border Waste Management within Europe under the Notification Procedure of the Waste Shipment Regulation to support the European Circular Economy Strategy", Rotterdam School of Management, Erasmus University (RSM), 2018.
[10] https://mag.wcoomd.org/magazine/wco-news-89/illicit-trade-in-waste-it-is-time-to-raise-the-alarm-and-mobilize/
[11] http://www.basel.int/Implementation/LegalMatters/BanAmendment/Overview/tabid/1484/Default.aspx

adoption of technical guidelines on transboundary movements of electrical and electronic waste and used electronic waste, in particular with regard to the distinction between waste and non-waste under the Basel Convention.[12]

IV. Relevant WCO tools and instruments

25. Some of the tools developed by the WCO could be put to good use in addressing the need to increase voluntary compliance by business, enhance the effectiveness of collaboration by stakeholders, improve data sharing mechanisms, refine risk profiles, and enhance the procedures for managing transboundary movements of waste, especially plastic and e-waste.

26. The implementation of WCO tools and approaches, such as the SAFE Framework of Standards (FoS), Data Model (DM), Coordinated Border Management (CBM) and Single Window (SW), might help in addressing the need for enhanced cross-border cooperation and information sharing to implement effective control regimes for hazardous waste.

27. Firstly, the CBM Compendium should be updated to further facilitate awareness-raising about the relevant provisions in the Basel Convention, so as to promote a coordinated regulatory response in this field.

28. Secondly, the WCO DM, as a recognized international standard, could facilitate data harmonization and information sharing among different stakeholders including Customs and environmental authorities competent in the notification procedure for cross-border shipments of waste. Based on past experience, Customs can effectively play an important role in enhancing Government-to-Government information exchange related to the waste notification procedure.

29. The WCO DM includes a *DangerousGoods* Class (WCO ID 12C) that may help describe and identify hazardous waste. The *DangerousGoods* Class enables the reporting of different types of hazardous goods' classification, as defined by the relevant regulatory authorities.[13]

30. In addition, a draft Derived Information Package (DIP) on transboundary movements of hazardous waste has been developed to facilitate Customs and relevant government agencies with their control and identification of imported and exported hazardous wastes. The DIP could prove useful for facilitating the dissemination of this information via and between SW environments and to the responsible government agencies, as well as to Customs administration in a foreign country, in a standardized and harmonized manner. Further alignment of the draft DIP with the latest version of the Basel Convention's data requirements for Transboundary Movements of Hazardous Wastes would be needed in order to finalize the DIP.

31. To further develop the automation of processes and the electronic exchange of information relating to the notification of movements of waste, the SW could offer the optimal e-government solution in terms of the required procedural simplification and harmonization. As part of a digital environment, a country's competent authority for managing waste could utilize the electronic platform for intergovernmental cooperation and

[12] Decisions adopted by the COP to the Basel Convention at its 14th Meeting.
[13] Defined as UN/EDIFACT standardized code for data element 8273 on *Dangerous goods regulations code*. http://www.unece.org/trade/untdid/d18a/tred/tred8273.htm

exchange of information concerning movements of traded waste, including their notification and other requirements.

32. Moreover, a proactive compliance management approach, as stipulated in the SAFE FoS, should be firmly established in collaboration with other competent agencies such as the environmental authority. Enforcement resources will be used to monitor non-compliant activities based on more highly-focused risk profiles. Additionally, feedback from enforcement activities relating to illicit trade flows will be strongly encouraged to further refine the relevant risk indicators.

33. Last but not least, in order to implement the above-mentioned tools more effectively for the purpose of regulating flows of plastic and e-waste, there might be a need to further develop comprehensive mapping of the waste export/import processes, including the notification procedures and the roles of the different private and public stakeholders. This would help to identify concrete action that Customs could take to raise its role in establishing environmentally sound management of trade in plastic waste and e-waste throughout their life cycles.

V. Action required

34. The PTC is invited to:

- decide if there is a need for an in-depth gap analysis and mapping of current WCO tools and instruments with the Basel Convention standards and respective amendments, in order to suggest potential changes to the relevant tools so as to contribute more effectively to managing hazardous waste, especially plastic and e-waste (as mentioned in paragraphs 22 to 24 above);

- consider reviewing and updating the WCO's CBM Compendium to further facilitate awareness-raising about the relevant provisions in the Basel Convention (as mentioned in paragraph 27);

- consider assigning the WCO Information Management Sub-Committee (IMSC) and Data Model Projects Team (DMPT) the task of finalizing and publishing the DIP on transboundary movements of hazardous waste (as mentioned in paragraph 30);

- decide whether there is a need for a possible review of current WCO tools and instruments to incorporate components related to the SDGs (and in particular to Targets 12.4 and 14.1), in order to offer a longer-term and more sustainable Customs response to the threats posed by hazardous waste (as mentioned in paragraphs 31 to 33 above).