

and that the economic profile of women is not only in the informal economy.



Establishment and reinforcement of a strong and efficient network ensuring plastic waste supply chain to the industrial factory is a major pillar of the whole project. Activities will be coordinated by the Ekurhuleni Waste Management Association (EWMA). EWMA is a recently established entity that organizes and coordinates the activities of the CBEs. Strong governance and clear operational rules will reinforce cooperation within associates and collection rates facilitating equitable distribution of benefits and dividends to the whole network.

The roll out of a proprietary digital tool recently developed (Plus App) will allow complete traceability of quantities collected for further optimizing the organization of the supply chain. The App will accelerate the reduction of gender inequalities, especially pay gaps and wages disparities thanks to precise monitoring and control of the amounts collected, which, flanked by clear rules and governance, will allow an equal and just distribution of income.

Area-based nodes, serving as collection and compacting hubs for small CBEs in the proximity not equipped with baling machines, are being set up to further enhance efficiency and effectiveness of plastic waste flows. Communities' awareness and educational activities, already on going, on the waste 3R (reducing, re-using and recycling) will be strengthened and scaled up.

The overarching objective of this project is to create, within a time frame of 24 months, an alternative, concrete and inclusive economic model that will strongly improve the resilience of the CBEs and that of the communities where they operate. Establishment and the start-up of the Social Recycling Factory, co-owned by the waste pickers, provides evidence on the key elements for a fairer and just economic model, harnessing the power of the market to promote a more inclusive approach of the industrial activities and rebalancing the roles of the CBEs in the value chain.



The Initiative receives the support of



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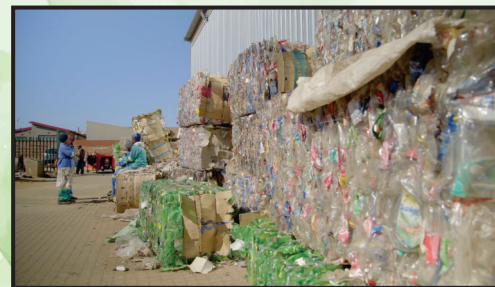


A PEOPLE-CENTRED ECONOMIC MODEL FOR THE PRODUCTION OF RECYCLED PLASTIC IN SOUTH AFRICA

... The Problem ...

The Department of Environment estimates that there are between 60,000 – 90,000 waste pickers in South Africa while Council for Scientific and Industrial Research says there could be as many as 215,000 people in the industry and they collect 80-90% of post-consumer packaging and paper from the waste stream.

The activity of waste pickers, operating independently or organized in community-based waste recycling cooperatives/enterprises (CBEs) is characterized by unstable income, fragmentation, vulnerable job conditions and inadequate business and technical capacities, keeping waste pickers trapped in low-revenue jobs at the bottom of the recycling value chain.



Persistent gender culture and gender inequalities represent a further aggravation and burdens especially in a culture where the sector is traditionally considered for men and not suitable for women given the stereotype role that women have in the communities and society in general. Among the year, women in community-based waste recycling organizations are progressively playing a leading role even if they struggle to be recognized and valued by the communities and other actors within the value chain. Since 2010,

... Our Solution ...

Oxfam South Africa in partnership with the City of Ekurhuleni run a successful initiative whose main aim is to integrate CBEs, mainly composed by women led organizations, in the municipal waste management system in areas poorly served by the Municipal waste collection services.

CBEs have been granted licensing by the Municipality to implement door to door waste collection in their neighborhoods. In areas where the Municipality already had appointed an

external private contractor for the collection of the waste, specific contractual clauses have been developed and integrated in the tender procedures to allow the formal inclusion of CBEs in the private contractor waste plan. On the base of this formal agreement between the CBEs and the external private contractors, the CBEs are recognized and authorized to collect recyclable waste from households in identified areas.

The model entails the separation of the waste (recyclable/not recyclable) at household level: the non-recyclable waste is collected by the private contractor while the recyclable waste is collected by the CBEs, and it becomes the capital for their recycling business. The current baseline is a fast-growing network composed of approximately 60 CBEs, involving more than 3000 waste pickers.

At current stage, the initiative aims to forward verticalize the activity of CBEs, into a higher business level where industrial processing of collected material occurs, allowing them to benefit from an industrial factory that will transform plastic waste into high quality R-HDPE pellets suitable to produce new plastic bottles for FMCG companies. A new state-of-the-art industrial processing facility (a Social Recycling Factory) co-owned by CBEs will be established. Waste pickers network ensures feedstock availability while private partners bring industrial technical expertise thus creating a strong and competitive value chain for the production of R-HDPE pellets. The

Social Recycling Factory will require CBEs and collection hubs to be consistent in delivering a certain amount of plastic waste to the processing facility, thus avoiding the risk of discontinuity in the supply chain. It is therefore envisaged, as a first step and as a validation phase, to go through a phase of joint commercialization of the plastic material collected by using the space already made available by the Municipality (about 20,000sqm)."

CBEs are shaping the structure of the cooperation within each other's that is at the heart of this initiative. They are developing they own superstructures (a Consortium, an Association EWMA, ongoing discussion for an Alliance) to create tools to facilitate their interaction and to create the base to act as a single and powerful interlocutor towards the market. The legal architecture that is being developed, in coordination with the CBEs and with the support of a legal and tax expert, is intended to represent and embed a relevant change in the approach to business. The aim is to use a well-established legal form (PTY), but bringing about a fundamental change towards shareholders, who will no longer be the main beneficiaries of the dividends, but instead the whole community and the network of 60 CBEs will receive the majority of the profits generated by industrial activities thanks to the presence of a Trust for the benefit of all waste pickers. The basic structure of the system itself will guarantee over the years the continuous respect of the founding objectives of this initiative, avoiding

that the wealth produced is concentrated on a few beneficiaries.

A new industrial framework, significantly different from the 'business as usual', is being established, where social inclusion, equitable distribution of benefit and socio-economic development of the community are as relevant as economic profit of the company involved.

The work is about ensuring that waste pickers are not just recognized as waste collectors but become entrepreneurs who sort, transform and sell the waste that they have collected. New skills will be needed to cope with the new role that they will shortly play. Their journey towards verticalization is accompanied by a process of capacity building and some FMCG multinationals are already supporting this process to prepare CBEs to become a reliable supplier within complex supply chains.



Once completed this process, CBEs are ready to sit at the table and to engage with FMCG company's Procurement Team, a completely new space for them that they haven't covered till now. It is a space they deserve having prepared themselves to fill it after a long and challenging process.

The project contributes to a people-centred economy based on an inclusive plastic value chain where traditional community-based groups at the bottom of the value chain have the possibility to progress along the chain. This can be possible when they have access to capital (grant or loan) that is indeed key for unlocking opportunities for small business and necessary for strengthening and/or scaling up their activities.

Within this initiative, private sector is seen as key partner for developing an inclusive and sustainable economy, where the concept of extended producer responsibility is meant to not just increasing product recyclability and reducing the amount of material that is sent to a landfill but includes promoting fairer and inclusive manufacturing processes.

Oxfam plays a facilitating role by bringing the different partners together to ensure collaboration, coordination and dialogue while de-risking the investment supporting non-traditional stakeholders (i.e. CBEs) and accompanying them in building their capacity to be a formal and reliable business partner of the initiative.

The project contributes to gender equality, strengthening women's economic empowerment and gender transformation by giving economic and decision-making powers to women who are included into the formal plastic value chain. Transformative change results from changing the perspective that waste management is not only a job for men