

October 2015**BEST PRACTICES FOR THE ESTABLISHMENT OF TAKE-BACK SYSTEMS FOR
MOBILE HANDSETS**

Executive Summary

The CANTO Corporate Social Responsibility (CSR) Committee was convened in response to the increasing desire by stakeholders in the dynamic and ever evolving ICT market to achieve a balance between business and social responsible interests. In doing so, the Committee was established to achieve several objectives, which included the following:

- i. To identify and address CSR issues related to telecoms/ICT and trends globally and within the region;
- ii. To research, identify and promote CSR best practices among the CANTO membership; and
- iii. To highlight existing and identify prospective CSR projects in region.

The Committee's first output was its paper on Best Practices for the Environmentally Sound Management of Mobile Handsets and Equipment, prepared in 2014. This policy paper sought to raise awareness and recommend best practice solutions to the environmentally sound disposal and management of end-of-life mobile handsets and equipment. It also allows for the dissemination of environmental standards established under the Basel Convention, to which many Caribbean countries are Parties.

Added to this, the Committee decided to advance this initial work in order to provide added support to the Caribbean telecoms industry as it seeks to safely dispose of its electrical and electronic wastes. This has been deemed necessary given the thrust to expand the sector at the regional level. Hence, the Committee decided to further explore the area of safe handset disposal in order to add value to this topical area in the interest of the telecoms operators and governments here in the Caribbean.

The present paper, which constitutes the Committee's second output, builds upon the previous paper by addressing the subject matter of the formation of take-back systems. These systems have already been established in one form or another by various organisations and governing bodies the world over, but their existence in the region remain limited. The result of this is a lag in the implementation of the Extended Producer Responsibility (EPR) principle in Caribbean countries.

In this the CSR Committee's second policy paper, the core elements of a take-back system are broached. These can guide the development of such a system within an organisation or among a group of like-minded bodies. In addition, the generalised obligations of producers and marketers of mobile handsets during the roll-out of a take-back system is also itemised within the paper. This will further ensure that the roles and responsibilities of the key players in the system are well-established with the EPR principle at the fore.

As we continue to press forward, the team remains firm in its recommendation that a common Regional approach to the sound management of mobile handsets and technologies should be developed, promoted and adopted. This will include the enhanced collection and channelling of mobile handsets and equipment to environmentally sound e-waste management service providers within the region. CANTO, its CSR Committee and its partner in this regard, the Basel Convention Regional Centre for the Caribbean (BCRC-Caribbean),

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continue to uphold the pledge to support the development of sustainable yet practical e-waste management solutions within the Caribbean ICT sector.

1.0 Definitions

Basel Convention – The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal has as its overarching purpose the protection of "human health and the environment against the adverse effects of hazardous and other wastes". To date there are 183 Parties to the treaty, including all of the Central and South American countries as well as the following Caribbean countries: Antigua & Barbuda, Bahamas, Barbados, Belize, Cuba, Dominica, Dominican Republic, Guyana, Jamaica, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Suriname and Trinidad & Tobago.

Key among its objectives is to control the transboundary movement of hazardous wastes and ensure their environmentally sound management or disposal. The Mobile Phone Partnership Initiative (MPPI) was developed and implemented under the Basel Convention to fulfil the objectives of the Convention with respect to the environmentally sound management of mobile handsets.

End-of-Life (or EoL) Mobile Handset (or Phone) – A mobile handset that is no longer suitable for use, or may not be up to the required specification, and is destined for disassembly and recovery of spare parts, material recovery and recycling or for final disposal. These handsets constitute a sub-category of the electrical and electronic equipment waste stream (WEEE / e-waste).

Environmentally Sound Management (ESM) – Taking all practicable steps to ensure that used and EOL products and wastes are managed in a manner which protects human health and the environment.

Equipment / Components – This refers to parts or items removed from used mobile handsets, which may include batteries, chargers and any additional mobile handset accessory or equipment which permits the mobile handset to function or further enhances the device.

Extended Producer Responsibility (EPR) – EPR is a policy principle that requires product manufacturers, or those with first responsibility for the imports of the respective equipment, to accept responsibility for all stages their product's lifecycle, including end-of-life management of the product.

Marketer – Any natural or legal entity in charge of wholesale or retail distribution of electrical and electronic equipment for commercial ends.

Producer – Any natural or legal entity that manufactures, imports, assembles, introduces or remanufactures electrical and electronic equipment, regardless of the sales technique(s) used.

2.0 Problem Statement

Across the world, several countries and organisations have sought to address the e-waste problem through the establishment of national and external systems that recoup the wastes generated by the electrical and electronic products placed on markets. Such schemes are limited in the Caribbean countries, where mobile phones and similar technologies are significant contributors to the e-waste stream and where great scope exists for the development these systems.

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3.0 Objectives

This paper is intended to:

1. Present the key elements that must be considered in the setting up and roll-out of a system for the take-back of mobile handsets and similar technologies;
2. Outline the primary obligations of producers and marketers in performing the take-back of such equipment; and to
3. Promote the environmentally sound management (ESM) of mobile phones in a manner that assures sustainable development across the region

3.1 Target Audience

This document is aimed at providing advanced support to **Telecoms Providers, Governments** and **Regulatory Bodies** as they seek to implement strategies to soundly manage used and EoL mobile handsets in the Caribbean.

4.0 Recommendations

Background

The application of the Extended Producer Responsibility (EPR) has been carried out by numerous entities in the recent past in order to ensure the ESM of wastes, including e-wastes. The reasoning behind the EPR principle is that producers or manufacturers have the primary responsibility for the post-consumer phase of their products. This stems from the fact that most of the end-of-life (EoL) environmental impacts are predetermined when the product is designed. In the case of e-wastes, the EPR principle is typically implemented in the form of take-back systems. These take-back systems are variable given the fact that they localise the EPR principle through a multitude of approaches. However, there are some basic elements that remain constant in every system.

4.1 Elements of a Mobile Handset Take-Back Programme

Take-back systems may range from the very complex to simple single entity systems establishing a system of warranty returns and trade-ins. However, some of the rudimentary aspects that should be in place when developing and launching such systems include the following:

- **Establishment of a take-back system Committee** – A Committee generally oversees and directs the formulation, execution and monitoring of any take-back system. This Committee, which may be formed based on adopted policy, law or directive, may have a multi-sectoral composition that is based in the scope of the system being designed. A Committee that is formed to guide a nationwide scheme that includes multiple producers and marketers may include members from multiple departments or divisions in both the public (e.g. regulators and relevant Ministries such as those related to the environment and/or health and trade) and private sectors (e.g. telecoms operators, recyclers and/or trade / business associates). In the event that a dedicated system is being established for a single

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producer or marketer, the Committee should include representatives of departments or divisions that will be directly responsible for various elements of the system.

Whichever option is selected, the Committee composition should include, but not be limited to, membership from the following thematic areas where they apply: environmental policy and/or management, waste management, quality control / assurance, finance, inventory control / procurement, legal / regulatory, logistics, IT, business development, and marketing.

- **Registration of producers and marketers in the system** – Applicable primarily in instances where there are multiple producers and marketers involved in the take-back scheme, it will be necessary to establish a register of all of the responsible players. These producers and marketers must be legally registered locally. Furthermore, a minimum volume of equipment imported or sold may be used to determine the prospective registration of any producer or marketer.
- **Outlining of specific requirements for activities at all levels of the system** – This pertains to the identification and selection of the main activities that will cover the operational aspects of the collection and processing of the equipment and components. This will include some or all of the elements that follow in this listing depending on the level of the infrastructure available within the system boundaries.
- **Identification and establishment of the required physical collection points and associated storage areas** – The take-back system committee may wish to select and upgrade / refurbish existing areas / sites to ensure the environmentally sound collection of the EoL equipment. This may take place at the easily accessible stores, distribution channels and other outlets of the producers and marketers involved in the system. In other instances, there may be the need to develop new collection points and appropriate storage areas in order to accept the EoL handsets. Further guidance on ensuring the environmentally sound collection of mobile handsets is provided in the CANTO CSR Committee Paper #1 on the ESM of Mobile Handsets and Equipment¹.
- **Identification and selection of downstream ESM treatment options** – A key tenet of the EPR principle is that the ESM of the mobile handsets collected is the primary responsibility of the producers and marketers. Therefore, it is essential that the take-back system includes the selection and channelling of all EoL mobile handsets and components towards ESM facilities and operations. Such ESM options should be in alignment with applicable local and international regulatory frameworks as well as exemplified in the next element.
- **Ensuring legal and regulatory compliance** – This will include compliance with local laws and regulations that apply (directly and indirectly) to the ESM of e-wastes, or wastes in general. It will also entail compliance with national obligations under applicable multilateral environmental agreements (MEAs) such as the Basel Convention. In the event that there must be international shipments of EoL

¹ The CANTO CSR Committee Paper 2014/1 available on the CANTO website: <http://canto.org/wp-content/uploads/2013/02/Best-Practices-for-the-Environmentally-Sound-Management-of-Mobile-Handsets.pdf>.

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mobile handsets from the point of collection, consideration must be given to the control system applied to such movements under the Basel Convention².

- **Elaboration of the overall system management and accompanying rules** – This will entail the fleshing out of the definition and classification of the wastes being addressed, the management structure of the system and the rules governing the take-back system. These will be closely aligned with all of the aforementioned elements and will detail other important aspects such as the system scope, roles and responsibilities.
- **Establishment of a control and tracking mechanism for the chain of custody (CoC) for the EoL equipment and components** – This may entail an extrapolation and bolstering of existing tracking systems for the equipment and components during their purchase and/or importation to their final treatment and disposal.

4.2 Obligations of Producers and Marketers

Under any take-back system, producers and marketers must ensure that certain obligations are fulfilled, as presented in Table 1 below:

Table 1: Obligations of producers and marketers involved in the take-back of mobile handsets and technologies.

OBLIGATION	PRODUCERS	MARKETERS
Producers must establish, directly or through third parties that act in their name, a system for the collection and ESM ³ of the wastes of products placed by them on the market. Producers should also administer and finance the management mechanisms supporting this system.	√	
Design strategies to achieve efficiency in the return, collection, recycling and disposal of the e-wastes.	√	√
Accept the return of WEEE by final users, with or without the incorporation of some advanced recycling cost to the user.	√	√
Establish programmes for the return, collection and final disposal of the WEEE generated from remanufactured EEE (local and imported).	√	√
Provide technical and logistical aid to producers in the collection and ESM of wastes from their products.		√

² This is applicable for shipments to and from countries that are Parties to the Basel Convention. Exporters should contact the Competent Authorities of the Basel Convention in their respective countries to obtain guidance on the transboundary movement controls of the Convention. More information is provided in the CANTO CSR Committee Paper 2014/1.

³ All ESM practices must be performed in accordance with national policies and laws or in accordance with international best environmental practices (BEPs) where local frameworks do not apply. These international BEPs include those established under the Basel Convention. Producers and marketers should contact the Competent Authorities of the Basel Convention in their respective countries to obtain guidance in this respect.

OBLIGATION	PRODUCERS	MARKETERS
Prioritise the recovery or valorisation of the WEEE over basic disposal.	√	
Ensure that all heavy metals or other types of hazardous substances contained in EoL equipment are controlled in order to ensure that no pollution is produced and that human and environmental health are protected.	√	
Ensure that all EoL handsets are managed with and by companies that have the proper environmental license(s), permit(s) or authorisation(s).	√	
Provide the necessary information for the identification and removal of different components and materials in order to encourage reuse and facilitate recycling.	√	
Inform when the equipment contains components or substances harmful to health or the environment.	√	
Develop informational and awareness campaigns about take-back and proper management of EoL handsets.	√	√
Inform product users about the correct manner of return and management of WEEE through clear and complete information on labelling, packaging and/or advertising / awareness campaigns.	√	√
Reduce the environmental impact of products through the reduction and substitution of hazardous substances or materials in these products.	√	
Reduce the environmental impact of products through the selection and use of products with less hazardous substances or materials.		√

5.0 Conclusion

Recognising that the regional awareness on matters pertaining to the ESM of mobile handsets and other e-wastes has been advanced over the past year or two, the need to go a few steps further have been identified. This is needed in order to domesticate the principles of corporate social responsibility, Extended Producer Responsibility and environmentally sound management of e-wastes within Caribbean jurisdictions among corporate entities and Governments alike. One means to achieving the incorporation of these principles is through the setting up of take-back mechanisms for everyday items, such as mobile phones.

Given the initial initiatives taken by operators such as Digicel and bmobile, the time is now ripe for the roll-out of additional well-designed and wide-reaching take-back systems within the region. However, such systems must be developed in compliance with best environmental practices to ensure that they do not incur negative downstream effects. Thus, the proponents of these systems must ensure that consideration be given to all facets of these systems to ensure that properly developed mechanisms are available to the Caribbean people while adding to their development.

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6.0 Additional References

- Solving the E-waste Problem (StEP). 2015. E-waste prevention, take-back system design and policy approaches. Bonn; StEP.
- United Nations Environment Programme (UNEP). 2011. E-waste manual Volume III: WEEE / E-waste "Take-back system". Osaka; UNEP.