

## Expert Panel Considers Restructuring Options



*Attending the first Advisory Expert Panel meeting were twenty delegates representing the various agencies of the Government of the Philippines, Environmental and Community NGO's, the United Nations and the lead industry.*

Lead demand in the rapidly industrializing developing countries of Asia has been growing by some 10 -15 percent annually in the last 10 years. Although the recent economic crisis in Asia has temporarily reduced this growth rate the fundamentals underpinning lead demand, in particular vehicle population growth and the need for backup power supplies to the IT industry, remain unchanged. As most rapidly industrializing developing countries are not producers of primary lead they can only meet demand from domestically recovered lead, supplemented by imports of scrap materials, and primary and secondary lead. Against this background, the sound management of leaded waste in the Philippines is an integral and essential part of the effective and sound management of lead as an important natural resource.

[The United Nations Conference on Trade and Development \(UNCTAD\); Trade, Environment and Development Division](#), have been studying the effects of the Basel Ban Amendment on the dissemination and effective use of environmentally sound processing technologies in conjunction with the ILMC. The ILMC component of the project is essentially concerned with the sound management of used lead acid batteries (ULAB) including an environmental and occupational health improvement program for the licensed and unlicensed sectors of the secondary lead industry. The

ILMC project complements the work undertaken by UNCTAD and has provided the basis for restructuring options for the Philippine secondary lead industry and integrating unregulated activities into the licensed sector.

Nevertheless, no matter how attractive the restructuring recommendations of the study are, it is unlikely that they will ever be implemented unless the Philippine Government, preferably in conjunction with the industry, and other interested parties support the changes. To this end, UNCTAD; in conjunction with the [United Nations Development Program \(UNDP\)](#), the Manila based NGO group - [Philippine Business for the Environment \(PBE\)](#), and the Philippine Government's [Board of Investments \(BOI\)](#); set up a multi-stakeholder expert advisory panel to consider the [UNCTAD](#) and [ILMC](#) studies, review the recommendations and report to the [Department of the Environment and Natural Resources \(DENR\)](#). It was agreed that the Multi-stakeholder Advisory Panel would have the following objectives:

1. To develop a coherent and comprehensive national strategy for the sustainable management and recovery of lead from used lead acid batteries.
2. To advise the government of the essential elements of, and suitable policies for, implementing a comprehensive national strategy on sustainable management of lead, taking into account the

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*Lisa Antonio (standing) facilitates discussions.*

developmental, environmental and social priorities of the current development plan.

3. To assure a participatory and constructive role in making natural resource management and resource recovery environmentally sound and economically viable, without compromising social development objectives.
4. To facilitate an inter-disciplinary and inter-departmental approach to sustainable natural resource management and thereby enhance coherence between environmental, trade, economic and social policies at national level.
5. To make recommendations on the use of economic instruments, which encourage waste prevention and waste minimization and the related use of environmentally sound technologies.
6. To advise the government on addressing the specific environmental problems created by partial lead recovery in the informal sector and their underlying social causes.
7. To assist the government in meeting the objectives of the Basel Convention.

During the first week of March at the Development Academy of the Philippines in Manila twenty participants representing different stakeholders attended the first meeting. Among the government agencies represented were the [Department of Science and Technology](#), [Department of Foreign Affairs](#), [National Economic Development Authority](#), [Environmental Management Bureau](#) of the [Department of Environment and Natural Resources](#) and the [Board of Investments](#) of the [Department of Trade and Industry](#). There were four non-government environmental organizations - the [Green Forum](#), [ABS-CBN Foundation for Bantay Kalikasan](#) ("Nature Watch"), the Philippine Business for the Environment (PBE) and the [Philippine Pollution Prevention Roundtable](#) (P3R). [Philippine Recyclers' Inc](#) (PRI) represented the secondary lead industry.. Also present were representatives from the UNDP, UNCTAD and the ILMC.

The group quickly realized that trade restrictions pursuant to the Basel Ban Amendment have made access to foreign sources of lead scrap more and more difficult. As a result, the licensed industry sector could easily withdraw from the recycling of ULAB, driving a larger share of lead recovery into the informal sector with very undesirable resource management, environmental and occupational consequences. Under the prevailing circumstances Philippine battery manufacturers are likely to increase imports of refined primary lead to close the domestic supply/demand gap. In short, in the absence of a clear national strategy on ULAB recycling, there are potentially a number of serious problems related to public health, the environment and collection efficiency.



*Group facilitator Lisa Antonio, Executive Director of the PBE, defines the challenge for the Advisory Panel.*

Bringing these issues together, the Panel's facilitator, Lisa Antonio, Executive Director of the PBE, defined the challenge as, "How to address the lead battery supply and demand situation with sufficient attention to its economic, social, environmental and health impacts".

Considering this challenge the group discussed possible options for a comprehensive national strategy that addressed the environmental impacts of, and the social implications for, the unregulated recycling sector. PRI emphasized that for any strategy to be successful it had to improve the industry's technical capability and create an economic climate that maintained a viable recycling industry in order to fund improvements in environmental performance and reduce lead exposure. The NGO representatives underscored the importance of raising public awareness of the potential risks and opportunities in support of the various collection schemes for ULAB.

# ILMC Adds “Design” to the Third APRCP Conference

**T**he [Philippine Pollution Prevention Roundtable \(P3R\)](#) was formed in June 1997 to stimulate business, industry, government, communities and others to address the growing pollution problems in the country by adopting cleaner production (CP) processes.

At the official opening ceremony delegates were welcomed to the Philippines by Miguel T. Arroyo, the husband of the President of the Philippines Gloria M Arroyo. Dr. Thomas Aquino, the Philippines' Undersecretary for International Trade at the Department



*left to right: Anthony SF Chiu, Consultant - UNDP/DTI-BOI Prime Project; Jocelyn S Esguerra, Project Manager - UNDP/DENR Prime Project; Brian Wilson, ILMC Program Manager; Marco Carlos, Investment/Environment Specialist - Philippine BOI; and Irving Guerrero, PRI Director and General Manager, enjoy a break in the proceedings.*

P3R aims to increase awareness of the need for, and benefits of, cleaner production rather than “end-of-pipe solutions”, and to provide a forum for negotiated and shared objectives amongst the many stakeholders. The Roundtable encourages all sectors to contribute towards pollution prevention. The group therefore explores solutions ranging from eco-efficient industrial processing to community based recycling programs. It seeks to prove the economic and ecological advantages of pollution prevention and also to demonstrate that cleaner production increases both production efficiency and product quality.

The conference actually started two days prior to the official opening with a series of training sessions in CP for delegates from the developing world. Then building on the successes of the first Asia-Pacific Roundtable for Cleaner Production (APRCP) Conference held in Bangkok in 1997 and the second held in Brisbane in 1999, the third APRCP conference was held in Manila at the end of February. As CP comes of age in the ASEAN region the conference theme was “Cleaner Production for Sustainable Growth”. This was a most appropriate theme for the conference, as CP alone cannot guarantee sustainability. A point repeated throughout the week during the conference as delegates examined supply chain management and the concepts of Life Cycle Assessment (LCA).

of Trade and Industry, delivered the keynote address and he stated how proud the nation was to be at the forefront of the Asian environment program.

The conference tackled a wide range of environmental issues and delegates could choose from four different parallel workshops covering ISO 14001, eco-industrialism, financing, assessment methods and the new [global reporting initiative](#). In addition, there were also four parallel panel discussion groups debating CP policies, regulations and training matters.

ILMC were invited to participate in the session dealing with Life Cycle Designs (LCD) and chose to present a paper on “[Battery Design for Cleaner Production](#)”. This paper served two purposes. Firstly it completed the “recycling” loop in the “cycle of sustainability”. Secondly it provided an opportunity to emphasize that good design is the cornerstone of clean production and sustainability.

The LCD parallel session included a case study from the Indian steel industry by Environmental Manager, Meenakshi Kakkar that demonstrated the use of “LCA as an Effective Tool For Cleaner Production”. This was followed by an overview of the principles of good design with a paper on “Pollution Prevention through Life Cycle Design” by Willie Nava of P3R. The ILMC made the point that in every sense modern battery manufacturers aspire

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*Marco Carlos of the BOI informs the Panel that the BOI-DTI is prepared to be the lead agency on behalf of the Government of the Philippines.*

Consequently the Panel set out its immediate objectives:

1. Reduce the environmental impact of the informal sector whilst harnessing the benefits of their collection infrastructure.
2. Optimize domestic collection of scrap batteries.
3. Enhance environmentally sound and economically viable ULAB recycling by improving the technical capabilities of recyclers.
4. Minimize waste generation.
5. Increase public awareness and participation in risk reduction practices related to collection of ULAB.

Program Manager Brian Wilson of ILMC stressed that the Panel needed to find some form of accommodation with the informal sector to encourage them to change their operating practices. The Panel welcomed initiatives taken by the EMB to use their regulatory powers to complement a sincere effort to integrate the informal sector. However, everyone agreed that the Advisory Panel would be more effective if the informal sector were represented. Accordingly, PRI and the BOI undertook to meet with three owners of battery recycling plants from the informal sector and try to convince them of the need to participate in the Panel discussions.

As the meeting drew to a close, Marco Carlos of the BOI informed the group that the BOI-DTI was prepared to become the lead Government agency and henceforth would underwrite and facilitate the activities of the multi-stakeholder Panel, subject to the normal legal protocols.

Olivia Castillo, Director of P3R, said that the restructuring options would certainly require a package of incentives and accordingly she undertook to contact the World Bank and the Asian Development Bank to make them aware of the aims and objectives of the Advisory Panel with a view to soliciting their support for the introduction of clean battery recycling technologies and the formation of regional ULAB collection and recovery consortiums.

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to the "cleaner production philosophy". For some time an increasing number of battery manufacturers are being accredited with ISO 9002 for outstanding quality, but many are now certified with ISO 14001 in recognition of their "Environmental Management Systems". As a consequence, more battery manufacturing facilities are conforming to sound environmental practices.



*Olivia Castillo presents the charter for the fourth Conference to Ambassador Soeratmin from the next host country, the Republic of Indonesia.*

The ILMC paper presented by Brian Wilson explained that the choice of the appropriate battery components is a critical factor in the "Cleaner Production Cycle" because clean production is assured when a battery is designed with components that are easily recycled and do not present an unnecessary environmental risk either during or after manufacturing.

At the close of the conference the Chair of the third APRCP, Olivia Castillo, presented the charter for the fourth APRCP conference to the honorable H E Soeratmin, the ambassador from the next host country, the Republic of Indonesia.

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