



## STRATEGY & BUDGET

Municipalities need a long-term vision and actionable strategy to transition to a circular economy. For example, a city might develop a strategy to increase waste recovery, which might require sufficient knowledge, infrastructure capacity and personnel to pursue. This operational planning must be made in parallel to adequate financial planning, considering most waste treatment infrastructure will have a lifespan of 15–20 years. In the vast majority of Global South cities, municipal income from waste fees and other waste-related services and fines does not cover the cost of waste management, making financial planning complex. Articulating a clear strategy and budget helps to give direction to all system participants, plus can help to unlock further investment from external sources.

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### KEY ACTIONS:

- Define your circular economy vision
- Understand your main cost and revenue drivers
- Secure appropriate funding to achieve your goals
- Identify where new technology can help
- Update and revise your strategy and budget as your city's waste flows change



## RETHINKING RECYCLING ARGENTINA IN OLAVARRÍA

*ENABLING WASTE MANAGEMENT IMPROVEMENT THROUGH DEVELOPMENT  
OF A LONG-TERM STRATEGY AND BUDGET*

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SITUATION	<p>Olavarría was the perfect pilot city for our initiative in Argentina due to its size, political commitment to a sustainability agenda and willingness to invest in the necessary infrastructure. We had to ensure that the way we designed the whole system – from the behavior change interventions and collection system, to the operation of the processing plants – was within the city's waste management budget and not more than they were willing to spend to implement the program.</p>
ACTION	<p>Delterra and the City of Olavarría co-designed the GIRO – Gestión Integral de Residuos de Olavarría (Integrated Waste Management of Olavarría) – program in true partnership. Some of our key strategy and budget design decisions included:</p> <ul style="list-style-type: none"><li>• Decreasing the collection of mixed waste in the residential system from three or six times per week to two or three so that we could add a once-per-week collection of recyclables and compostables</li><li>• Separating the residential and commercial systems, and proposing a big generator fee that would cover the higher proportion of waste generated, thus covering the increase in collection costs and part of the operating expenses of the sorting and composting plants</li><li>• Including source-separated collection in three streams in the new waste management RFP for the city and supporting the city to draft ordinances for approval by council versus the rotating position of Mayor, ensuring the system would be embedded in the city for the long term (a waste management contract is seven to ten years and changing a city ordinance entails a complex process)</li><li>• Deciding to RFP the management of the sorting and composting plants, considering the city's capabilities and willingness to operate a plant themselves. After researching different management models and visiting many plants across Argentina, we developed a checklist of requirements for the management model such as productivity, costs, environmental goals, municipal leverage, or social goals. Based on this checklist, we concluded that contracting a private operator was the best long-term solution, both for municipal financial health and for their management capabilities</li><li>• Ensuring that our day-to-day work considers that every initiative we launch must eventually be led by the city staff on their own, by working closely with the local team and building capabilities and team governance in parallel</li></ul>
RESULT	<p>Olavarría's Municipality has launched a series of public enablers to embed GIRO principles in the waste management system, ensuring a roadmap for success and the financial balance to secure necessary resources. This set of products include the long-term sorting and composting infrastructure, the public service's contracts, and the legal tools to promote and enforce the system.</p>



## DIMENSION: STRATEGY & BUDGET

# A STRATEGY FOR TRANSFORMING WASTE MANAGEMENT IN CURITIBA, BRAZIL<sup>15</sup>

### SITUATION

Curitiba, Brazil, experienced large population growth from 150,000 people in 1940, to almost two million today. Growth was uncoordinated and included favelas (or slums), where ~10% of the population lives. Large conventional collection trucks could not access narrow streets in the slums. The city could not afford new trucks and routes for separated collection. As this rapid growth impacted many aspects of life in Curitiba, the community worked to develop a master plan in the 1960s, which included the important aspect of waste management strategy.

### ACTION

Through strong planning and long-term community engagement, Curitiba created a cohesive strategy to become the most sustainable city in Brazil. Born from this strategy, Curitiba's innovative waste management approach was launched, which included:

- Introduction of different collection routes for different streams
- 'Trash That Is Not Trash' pilot program to test trash-for-transport theory at small scale
- 'Green Exchange' behavior change program, which offers community members transport passes in exchange for collected recyclables
- Strong focus on communications and consumer education (e.g., classes and demonstrations) to support incentive programs
- Increase in collaboration with and recognition of the informal sector involved in waste management
- More material recovery facilities (MRFs) that are strategically linked to collection routes

### RESULT

Today, segregated collection is available in almost the entire city, contributing to citywide recycling rates of 20%. 500,000 tons of PET flakes are produced for recycling per year. Furthermore, 40 waste cooperatives were integrated and workers are remunerated based on recycling yield, creating 2,500+ formal jobs.

