

Acknowledgments

The Department of Environmental Affairs would like to thank the following partners and/or individuals who have contributed and supported the development of this document on Financial Implications of Advanced Waste Treatment:

- Waste Plan, Cape Town
- Reliance Green Waste Composting
- Anaergia
- Green Cape
- Council for Scientific and Industrial Research
- Municipality of Cape Town
- Jenitha Badul, Leanne Richards and Elizabeth Ntoyi, Greening Programmes and Fund, Department of Environmental Affairs
- The officials of the Branch: Chemicals and Waste Management, Department of Environmental Affairs
- Christian Vosseler and Bernhard Schenk, KfW Development Bank

This document has been produced for the Department by Reka Soos, Andrew Whiteman and Diana Gheorghiu of RWA Consulting as primary authors.

Secondary contributing authors include:

- John Coetzee and Stuart Gower-Jackson of J&G
- Paul Frith, Brian McCarthy and Kevin Kerwin of RWA
- Raimund Vogeloberger of ERM





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Glossary

Terminology	Definition
Activity-based accounting	An accounting approach that registers costs attached to each activity in the process flow separately. It enables management to better understand how and where the company is overspending and which areas have the greatest potential for cost reduction.
Cost of financing (cost of capital)	Interest on loan and other charges (front-end fee, commitment fee) involved in borrowing of money for investment.
Economic analysis	The analysis of the economic performance of an investment, taking into account the welfare effects of the investment, results in economic indicators. This type of analysis is usually used by government agencies when spending public funds in choosing among various investment projects.
Environmental costs	Costs connected with the actual or potential deterioration of natural assets due to economic activities. In case of AWT, environmental costs may include the costs of pollution prevention (e.g. filters and odour control measures), pollution remediation measures, etc.
Externality	Effects/impacts cost and benefits of production that are external to the buyer and provider of a service or goods and are not included in the price of the service/goods.
Financial analysis	Assessment of financial (monetary) viability, stability and profitability of a project or business.
Full cost	Total costs including the investment cost and the operating cost. Investment cost allocation within an accounting period is presented by the depreciation expenses and interest on loan (if funded by loan).
Investment cost (capital cost) also called 'capex'	Investment cost (capital cost) also called 'capex': Fixed, one-time expenses incurred for the purchase of land, buildings, construction and equipment (includes cost of dismantling, removal and restoration). Total cost needed to bring a project to a commercially operable status.
Landfill airspace (void space)	The volume of space on a landfill that is permitted for the disposal of waste.
Net Present Value	The difference between the present value of cash inflows and the present value of cash outflows, used in capital budgeting to analyse the profitability of a projected investment or project.
Operating cost	Running costs, fixed and variable, involved in the daily production/service provision, including costs for maintenance and repair, labour, utilities, consumables, etc. Also called 'opex'.
Revenues	Income from sales of services or goods, sourced from gate fees, sale of recovered materials, energy, tariffs or other income.
Ring-fencing	Financial separation of a portion of a municipality's assets or budget in order to safeguard use for the intended purpose.
Specific cost (unit cost)	A cost per unit, e.g. cost per tonne of waste handled (ZAR/tonne). Throughout this document, the following exchange rate is used: 1 EUR = 13 ZAR (corresponding to European Central Bank exchange rate April 20 th , 2015).

Informal service sector	Entrepreneurs providing small-scale waste collection and cleaning services in rural and poor areas.
Informal valorisation sector	Recovery of recyclables and small-scale manufacturing by the informal sector.
Informal waste sector	An all-encompassing term that captures the totality of informal economic activity in the cleaning, waste management services and recycling sector.
Integrated solid waste management	The coordinated use of a set of waste management approaches and solutions, each of which has a functional role in an overall solid waste management system, and which combine together as a recognisably coherent whole.
Itinerant waste buyers	Recyclers who go door-to-door, collecting, buying or bartering for materials, before they have entered the official waste stream.
Labour force	People who are able and willing to work.
Linear resource economy	An economy where solid waste exits the economic flow of goods once generated.
Material recovery facility	A facility where recyclable materials are recovered and sorted. At a dirty MRF, recyclables are sorted from mixed waste input feedstock; at a clean MRF, recyclables are sorted from a separately collected mixed-dry-recyclable input feedstock.
Mechanical biological treatment	A combination of mechanical and biological processes used to pre-treat the input feedstock and produce outputs including recyclables, refuse-derived fuel, and/or biologically stable compost.
Traders	Formal or informal entrepreneurs and companies buying recyclables from individual waste reclaimers or companies and reselling them into the recycling value chain.
Primary collection	The collection of waste from the point of generation (e.g. household or commercial premises) and its transport to community container or other places of secondary collection, or final disposal.
Professionalisation	Imparting professional skills and capacities.
Refuse-derived fuel	Waste fraction with good combustion properties that can be used as fuel.
Secondary collection	The collection of waste from a place of temporary storage that is distant from the point of generation (e.g. community container or other location) and transport to transfer station, treatment or landfill.
Separation at source	Sorting of different materials at the source of generation (households, businesses, etc.) before collection.
Waste management hierarchy	An integrated set of options dealing with waste generation and the disposal thereof in order of preference: Reduce generated waste, reuse, recycle and compost, recovery of energy and disposal.