

Waste recovery operations of landfills and supervision over waste disposal

Does the Environmental Board have an overview of the recovery of waste, which takes place at the landfills?

Summary of audit results

What did we audit?

The National Audit Office (NAO) audited whether the Environmental Board¹, when permitting the recovery of waste at the landfills, makes sure that it is justified, and whether precise requirements have been established for the recovery. The NAO also assessed whether the Environmental Board, in the course of the supervision, has an overview of how waste is recovered, and how much of it is actually recovered.

In the course of the audit, the NAO has analysed the recovery operations which take place on the territory of the landfill. In so doing, it was not assessed to what extent the waste material has been erroneously declared as the recovery, and how much pollution charges have not been received by the state as a result.

Why is this important to taxpayers?

There are five municipal waste landfills operating in Estonia. A total of 175,000 tonnes of waste was deposited in them in 2019. Pollution charges are applied when disposing (i.e. depositing) waste, the aim of which is to make the disposal of waste more expensive than recovery or recycling of waste. A landfill has to pay 29.84 euros for the disposal one tonne of waste. In 2019, the landfills paid a total of 4.9 million euros of pollution charges.

Apart from the disposal, landfills also recover waste to generate waste fuel and building various construction works (e.g. landfill slopes, intermediate layers, roads and sites). In 2019, landfills recovered 110,000 tonnes of waste.

In this case, the recovery means that waste is used instead of natural building materials and there is no pollution charge subject to pay for the recovered waste. The activities indicated as the recovery of waste must be precisely regulated, so that no scamming with waste will take place under the name of the recovery in avoidance of the payment of the pollution charges.

What did we find and conclude from the audit?

In the opinion of the NAO, the control activities of the Environmental Board and the Environmental Inspectorate neither prevent abuses of the recovery of waste at the landfills, nor reduce the risk of frauds. There is a significant risk that the scamming is happening at the landfills, and that the disposal of waste actually takes place there under the name of the recovery, for which no pollution charges are paid. Operations with residues of sorting mixed municipal waste offer the greatest opportunities for frauds. As the amount of waste reaching the landfills increases, so does the risk of frauds.

¹ On 1 January 2021, the Environmental Board was merged with the Environmental Inspectorate. As the audit covers the previous period of operation of the Environmental Board and the Environmental Inspectorate, the names of the former agencies are used in the report. The recommendations based on the audit have been addressed to the Director General of the Environmental Board.

The observations of the NAO in connection with the recovery and disposal of waste at the landfills are as follows:

- **The Environmental Inspectorate has not checked whether the landfills have complied with the requirement in law that has been in force for more than ten years, according to which mixed municipal waste may not be subject to the disposal, when unsorted.** No checks have been carried out, because the law and the regulation established on the basis thereof allow to consider mixed municipal waste as sorted even if the municipality has a waste handling station and packaging waste containers. Nobody checks whether people actually collect waste separately. As long as unsorted mixed municipal waste is easy and inexpensive to dispose of, there is no unavoidable need to develop separate waste collection.
- **The supervision operations by the Environmental Inspectorate have not been so thorough as to prevent or detect as early as possible any violations at the landfills.** The control by the Environmental Inspectorate has limited itself to the assessment of documents. Therefore, the Inspectorate does not have an ongoing overview of which kinds of waste and in what quantities are recovered or disposed of. Presently, in order to get an overview, it would be necessary to start excavating the waste disposal site in order to determine the amount and consistency of the waste recovered at this site and measuring these, but this is expensive and time-consuming. Therefore, it is difficult to identify the amount of the illegally disposed waste and enforce the forgone pollution charge.
- **The requirements by the Environmental Board for the recovery activities of landfills are not precise and prevent the Environmental Inspectorate from exercising the supervision.** Due to unsubstantiated requirements, the Inspectorate cannot make sure whether the waste recovered at the landfill had the same characteristics and had been used in the same amount as the material it was supposed to replace. For example, it has not been agreed on the characteristics of the waste that can be used at the landfills for the construction of roads and sites, the amount of waste that can be recovered, and the technical requirements that the completed roads and sites must meet. It is therefore possible that, in order to reduce the obligation to pay the pollution charge, there was used the kinds of waste not intended for these activities, and in larger quantities than necessary.
- **When giving consent for the recovery of waste, the Environmental Board does not make sure whether the proposed activity is necessary, or whether its purpose is to avoid the payment of a pollution charge upon waste disposal.** For example, when making intermediate layers of waste at a landfill body, the Environmental Board should first make sure that the landfill would have built an intermediate layer of also other materials. It should then be determined what properties the intermediate layer material should have, and how thick this layer should be. If the landfill built an intermediate layer of gravel or sand, it would buy material for this as little as possible and as much as necessary. The same principle should apply, when permitting the recovery of waste.
- **When permitting the recovery, landfills are not treated in the same way, although the legal bases for their activities are the same.** For example, at some landfills, it is permitted to recover waste on the waste disposal site for the construction of roads or for making intermediate layers, but these operations are prohibited at other landfills.

What did we recommend as a result of the audit?

The Environmental Board must ensure, when permitting the recovery of waste, that it is necessary, and that its purpose is not to avoid paying pollution charges. In permits of landfills, the recovery activities must be described in more detail, as well as clear and verifiable requirements must be set for these activities. The supervision over the recovery operations by the Environmental Inspectorate must provide an accurate overview of which waste and how has been recovered at the landfills.

Response of the Ministry of the Environment and the Environmental Board: The auditees agreed with most of the recommendations. The Ministry of the Environment and the Environmental Board have started to implement several recommendations or are considering their implementation.

The Ministry of the Environment plans to amend legal enactments to restrict the disposal of separately collected waste and to set more specific requirements for disposable waste. The Environmental Board wants to develop the capacity to check the landfills. The Board also monitors compliance with the requirement for the content of the biodegradable waste subject to the disposal. In the future, the Environmental Board will pay more attention to ensuring that the requirements for the recovery under environmental permits for landfills are clear, and that uniform principles are applied in the construction of intermediate layers, roads, and sites.

The Environmental Board disagrees with the opinion that the control activities of the Board neither prevent abuses of the recovery of waste at the landfills, nor reduce the risk of frauds. In the Board's opinion, controlling the environmental charges significantly reduces the risk of frauds. As a result of the checks related to the environmental charges, the Environmental Board has imposed additional environmental charges in the total amount of approximately 1.3 million euros.