



HAZARDOUS WASTE MANAGEMENT

SUMMARY OF PUBLIC AUDIT REPORT

6 December 2018

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The Importance of the Audit

Hazardous waste is a substance that can cause harm to human or animal health and the environment. They can be found in the home, during production and waste management processes. It is impossible to avoid the formation of hazardous waste at all, but it can be managed in such a way that it does not endanger human health and does not harm the environment. In order to establish the prerequisites for the safe management of hazardous waste, the whole process of waste management from the identification to the final cleaning must be properly organized. The control of this process should be guaranteed by the responsible public authorities.

An average of 163 thousand tonnes of hazardous waste are formed in Lithuania annually. Their management remains an acute problem: it encounters the inadequate identification of these wastes, the efficient collection of these wastes from the household is not ensured, there are cases where waste managers discontinue the operation of hazardous waste disposal or leaving unprocessed waste which, in order to avoid negative consequences, have to be managed using the public funds.

Improper handling of hazardous waste can result in soil contamination, penetration into groundwater and damage to the environment and human health. It is therefore necessary to exclude these wastes from the waste stream¹ and ensure their safe disposal².

Understanding the importance of hazardous waste management and in order to assess whether these waste management activities have a negative impact on public health and the environment, the Supreme Audit Institution initiated an audit of hazardous waste management.

¹ State Waste Management Plan for 2014-2020 approved by the Government Resolution No. 519, 245 p.

² Article 41 of the Law on Waste Management.

Audit objective and scope

The objective of the audit is to assess whether the hazardous waste management system ensures that these wastes are managed efficiently, without adverse effect on public health and the environment.

Main audit issues:

- whether hazardous waste is properly identified;
- whether sorted collection of hazardous waste generated by households is productive;
- whether the right to handle hazardous waste is ensured by making sure that the calculation of future pollution is correct;
- whether, upon the termination of the activities of the hazardous waste management, the remaining unprocessed waste is not managed by the state.

The audited entity is the Ministry of Environment, which regulates and administers the management of all waste, monitors the implementation of established requirements, coordinates activities of other state and municipal institutions and bodies in the field of waste management.

Audited period is 2013-2017. In order to assess changes and compare data, in some cases the data of 2012 and the first half of 2018 were used.

In 2017, when carrying out the public audit "Application of the producer responsibility principle" we evaluated the waste accounting, waste management reporting and verification, selection of operators included in the annual inspection plans, the reliability of the information systems used, and the cooperation among the state environmental protection control institutions. Therefore, we did not evaluate these issues by carrying out the state audit "Hazardous waste management".

The audit was performed in accordance with the Public Auditing Requirements and the International Standards of Supreme Audit Institutions. The scope and methods of the audit are described in more detail in Annex 2 "Audit scope and methods" (p. 31).

Main results of the audit

During the audit, we were of the opinion that hazardous waste will be managed efficiently, without adverse effect on public health, when: waste holders will identify the waste properly; municipalities will ensure the separate collection of hazardous waste generated by households; the right to handle such waste will be provided after verifying the correctness of the emission distribution calculations; hazardous waste managers will not leave unprocessed hazardous waste when they cease their activity, which should be managed using public funds in order to avoid adverse effects on public health or the environment.

During the audit we found that the developed hazardous waste management system does not ensure that waste is properly identified, collected and managed in accordance with the requirements of the legislation and therefore does not ensure safe disposal without

causing an adverse effect on public health and the environment. Waste disposed of by waste managers must be managed by public funds.

1. There are assumptions about the identification of hazardous waste as non-hazardous

The waste holder has a duty to identify the waste, but the identification of the waste requires knowledge of the composition of the substances constituting them and their hazardousness. So far, decisions on classification of the 3/4 of chemicals have not been taken and manufacturers or importers have a different approach to the dangers of the same chemicals, which allows waste holders to differentiate the identification of waste containing the same chemicals. There is no accredited laboratory in Lithuania that can detect the hazard of chemicals in waste. The Regional Environmental Protection Departments identify cases where hazardous waste is classified as non-hazardous waste by the waste holders. Special Investigation Service after evaluating corruption risk analysis in 2016, found that there were gaps in the waste identification process. If the waste is improperly identified, the hazardous waste is collected and handled in combination with non-hazardous ones, and this does not ensure the safe handling of hazardous waste (Chapter 1, page 12).

Nearly half of the hazardous waste generated by households is in the municipal utility waste stream

Municipalities, having organized separate collection of hazardous waste generated in households, do not get nearly half of this waste. In 2014-2017, 10,424 tonnes of hazardous waste generated in the household have been collected on bulky waste disposal sites and by landing and 9,473 tonnes appeared in containers of waste generated by households together with other waste. This happens because the inhabitants do not sort all waste; some municipalities (e.g. Vilnius and Kaunas districts) operate almost twice as few bulky waste disposal sites as they should, 40%. municipalities do not carry out collection of hazardous waste generated by households bypassing. Without separate collection of hazardous waste safe disposal is not ensured, other waste is contaminated (Chapter 2, p. 14).

2. The right to handle hazardous waste is granted without verifying the correctness of the calculation of future pollution

The right to handle hazardous waste may be given without full assurance that the planned hazardous waste management activities will not adversely affect public health. The National Public Health Centre has no means to check the estimates of the dissemination of pollution provided by the planned operator, and therefore it only estimates the assumptions for calculating the pollution distribution. The National Public Health Centre does not have the means to verify the correctness of the calculations of the forthcoming pollution dissemination, nor does it rely on the recalculation of the data provided by the external experts in the evaluation reports of the planned economic activity. In 2013-2017, out of 405 of the planned economic activity assessment reports (25 of them on hazardous waste management activities), none was forwarded to an external expert for assessment

in order to verify the correctness of the emission distribution calculations (Chapter 3, p. 17).

3. Upon the termination of the activity of the hazardous waste manager, the remaining unprocessed waste is managed using public funds

When deciding on the implementation of the decommissioning plan measures, hazardous waste managers indicate inaccurate prices for the management of hazardous waste and do not periodically estimate the estimates, therefore the costs of implementing the measures for the termination of the plan do not reflect the actual costs of waste management. In the estimates for 40 types of hazardous waste (from 52) the prices differ by more than two times. Some of their handling prices differ by more than 100 times in the estimates made in the same year. The obligation to revise the estimate of implementation of measures for termination of activities every two years does not stipulate in legislation nearly 65% waste managers. Even those managers who are required to revise the estimate do not always do that (63 percent of the waste managers did not specify them within the set deadlines) (Section 4.1, p. 19).

All waste managers who use or dispose of hazardous waste must have a guarantee to ensure that waste is disposed of in the event of termination, but waste managers are allowed to use or dispose of the waste without a guarantor. From 01.07.2014 to 30.06.2015, 71 (from more than 700) waste managers performed hazardous waste use or disposal activities at certain times without a guarantor (Subsection 4.2, p. 22).

Part of the hazardous waste managers handle hazardous waste in violation of the conditions stipulated in the permits and thus potentially adversely affect public health and the environment. In 2014-2017, 46 (out of more than 700) waste managers handled larger quantities of hazardous waste than those indicated in the permit. The Regional Environmental Protection Departments determine that the waste handlers who use or dispose of hazardous waste annually have an average of 5.5 thousand. t in excess of the maximum permitted quantities of waste specified in the permits (subsection 4.3, p. 25).

Upon termination of activities by the waste manager and leaving unprocessed hazardous waste, in order to avoid adverse effects on public health and the environment, they are managed by public funds. In 2012-2017, three waste managers stopped operating and left 2 542 tonnes of unprocessed hazardous waste. The state used 0.9 million Eur to handle the waste left by the companies that ended the operation until 01/01/2012. Eur, 2.6 million Eur more are needed for handling the rest. Even with the use of all the guarantors granted to waste handlers, which amount to 2.2 million. Eur, it would not be enough to handle the hazardous waste left by three companies that stopped operations (section 4.3, p. 26).

Changes during the audit

In order to solve hazardous waste management problems:

- The Ministry of the Environment has prepared a draft law on the amendment of the Law on the Taxation for Pollution of the Environment. It provides for the harmonization of rates for waste disposal at non-hazardous and hazardous waste landfills

- The Environmental Protection Department has verified the waste managers who use or dispose of hazardous waste, which had been operating without a guarantor on 30 June 2018. After inspections, more than half of the waste handlers provided insurance companies or bank guarantors with the responsible authorities.

Recommendations

To the Ministry of Environment

1. To ensure that hazardous waste is managed safely without endangering public health and the environment:
 - 1.1. to strengthen the control of waste holders in order to prevent hazardous waste being managed as non-hazardous (Audit result 1);
 - 1.2. to evaluate the efficiency of municipal measures for the collection of hazardous waste generated in the home and to ensure that hazardous waste does not enter into non-hazardous waste landfills and mechanical biological treatment plants (Audit result 2).
2. In order to ensure that unprocessed waste disposed of by waste managers who use or dispose of hazardous waste is would be managed without the use of public budget funds after the waste managers terminate their activity:
 - 2.1. to provide for and implement measures to make sure that, when agreeing the estimates of implementation of the measures provided for in the business termination plan, the waste management prices indicated in them are in line with market prices (Audit result 4);
 - 2.2. to oblige all waste managers to adjust the estimates of the implementation of the measures contained in the business termination plan at least every two years and to ensure that all waste managers are adjusted the estimates by the deadlines (Audit result 4);
 - 2.3. to review periodically the waste managers' guarantors provided by the insurance company or the bank by and ensure that the waste managers submit a new or extended guarantee to the Environmental Protection Agency within the set time limits (Audit result 4);
 - 2.4. to strengthen control over the management of hazardous waste in order to ensure that waste quantities held by hazardous waste managers do not exceed the maximum permitted quantities of waste allowed in the permit (Audit result 4);

To the National Public Health Centre

3. In order to guarantee that the right to handle hazardous waste is granted only to waste managers whose activities do not have a negative impact on public health, to ensure that conclusions regarding planned hazardous waste management activities are provided with the assurance of the correctness of the calculations of the future emission of pollutants (Audit result 3).

The measures and deadlines for the implementation of the recommendations are presented in the section "Recommendations Implementation Plan" (p. 28).