Policy Briefing: OECD and the Basel WEEE Amendments Anticipated Implications for Global Companies

At Basel COP-15 in June 2022, <u>190 countries agreed</u> to add *non-hazardous* waste electrical and electronic equipment (WEEE) to the Basel Convention control system for cross-border movement of covered wastes. These Basel WEEE Amendments will enter into force on **January 1, 2025**. (Hazardous WEEE is already controlled.) The OECD is considering these Amendments, with significant implications for global companies.

Unless an OECD member objects, amendments to the Basel Convention waste listings are automatically incorporated into the OECD Control System. Automatic incorporation would eliminate the existing Green Control Procedure for non-hazardous WEEE and subject these streams to the OECD's more stringent Amber Control Procedure, which involves *government consent, financial guarantees and insurance coverage for exports*.

In August 2022, a prominent OECD government <u>filed such an objection</u>, and proposed retaining some streams of WEEE under the OECD Green Procedure. The country argued that this approach would involve minimal environmental risks while facilitating trade and materials recovery (especially base and precious metals) within the OECD.

In response, the OECD formed a Task Team to determine if its member states can reach consensus on an alternate approach to incorporating the Basel WEEE Amendments. The Task Team, comprised of governments with participation of private sector observers, is convening throughout 2023. Given the pending entry into force of the Amendments, the Task Team must complete its work by **November 2023** to allow sufficient time for consideration at higher levels within the OECD.

If OECD members cannot reach consensus on an alternative to the Basel WEEE Amendments, either those Amendments will be incorporated into the OECD Control System as written, or various OECD members may implement their own approaches. Under the former outcome, all WEEE exports within the OECD will be subject to the Amber Procedure. The latter outcome jeopardizes global trade: following the 2019 adoption of the Basel Plastic Waste Amendments, OECD countries could not reach agreement on incorporation. This has resulted in several inconsistent national regimes for classifying and managing plastic wastes, causing market and regulatory confusion.

This debate is especially relevant for American companies. While the United States is an OECD member, it is the only industrialized country that is *not* a Party to the Basel Convention. Thus, the U.S. relies on the OECD Control System to authorize trade in Basel-listed materials. A "no consensus" outcome could imperil the ability of U.S. companies to trade in non-hazardous WEEE, even within the OECD.

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