

Deltterra and The Circulate Initiative Release a Thought-Provoking Report on the ROI of Behavior Change in Recycling

Analysis of three recycling projects in emerging economies shows that investing in behavior change pays for itself in recycling outcomes and is key to making the economics of recycling work



DEC. 15, 2021—SINGAPORE -- Today Deltterra, an environmental nonprofit with its flagship initiative focused on building recycling systems in emerging economies, in collaboration with The Circulate Initiative, a nonprofit aimed at ending plastic pollution and advancing the circular economy, released its report, *Making 'Cents' of Recycling Behavior: The Return on Investment of Spreading the Recycling Habit* <https://deltterra.org/latest/behavior-change-roi>.

The report affirms how recycling behavior isn't a nice-to-have; instead, it's key to making the economics of recycling work. Analysis of Deltterra's projects in three distinctly different recycling environments in emerging markets - an informal settlement in Buenos Aires, a set of urban districts in Bali, and a mid-sized Argentinian city - shows that investing in behavior change pays for itself in recycling outcomes.

Around 80 percent of post-consumer waste could be recycled or composted, but when communities don't separate their waste at the source, most of these materials remain out of reach for the recycling industry. With the global recycling rate languishing at 16 percent, there is a pervasive supply shortage of recyclables, putting corporate recycling commitments increasingly at risk even as the urgency of combating waste pollution grows.

Key takeaways from the report include:

- **Boosting recycling behavior presents a major - and often missed - opportunity to improve the business case for recycling overall.** Because of inaccurate waste segregation by consumers at the first step, recycling faces a pervasive supply shortage. Driving change in recycling behavior can help recycling break the vicious cycle of insufficient demand and supply, by improving the yield and thus the recycling value chain's economics.
- **Consumer behavior change can pay back initial costs in as few as 2-4 years.** Based on the sales value of new recyclables, additional savings from landfill fees and credit for environmental benefits, it would typically take Delterra's projects to 2-4 years - within political cycles and typical investment horizons - to earn back the cost of community engagement campaigns.
- **Behavior change costs significantly less than technology-based alternatives for boosting recycling outcomes.** Promoting change in recycling behavior costs between US\$50 and \$150 for every additional ton of recyclables per year, compared to waste-sorting technology which costs between US\$200 and \$700 per ton to produce similar results.

Cynthia Shih, Delterra's Director of Knowledge, remarked, "Because Delterra's programs integrate community behavior change with waste management operations, we had the data to really look at the value that better recycling behavior generates for the rest of the system. We would love to see more players in the circular economy investing in recycling behavior change, and contributing insights on how best to deliver return on investment."

"Delterra's programs on the ground reveal the power of behavioral interventions and the importance of having a holistic approach in dealing with waste management and recycling," said Ellen Martin, Director of Impact and Insights at The Circulate Initiative. "By investing in these interventions alongside infrastructure, we can improve the financial sustainability and efficiency of recycling and support a more circular economy."

This research report is particularly relevant for the organizations that are introducing new infrastructure into emerging economies that may have never had recycling services before. The authors hope that the report findings will help such organizations to avoid underinvesting in behavior change as more developed markets have in the past. For more information about this report, and future reports from Delterra and The Circulate Initiative, please visit <https://delterra.org/latest/behavior-change-roi>.

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About Delterra.org

Delterra is an environmental nonprofit on a mission to create a world where human activities protect and restore a healthy planet. Delterra's founding partner is McKinsey & Company, and its flagship initiative, Rethinking Recycling, works with communities in emerging economies to build rapidly scalable, self-sustaining waste management and recycling ecosystems that redirect waste into productive use while improving the lives of the people it touches. In the coming years, Delterra will add other initiatives to its portfolio, all with a view to developing innovative scalable solutions that redesign human systems for the good of people and the planet. www.delterra.org

About The Circulate Initiative

The Circulate Initiative is a non-profit organization committed to solving the ocean plastic pollution challenge by supporting the incubation of circular, inclusive and investible waste management and recycling systems in South and Southeast Asia. We achieve this by collaborating with key stakeholders across the sector, and by producing insights to support and accelerate investment and scale across the value chain. Learn more at: <https://www.thecirculateinitiative.org/>.