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# WASTE OIL COLLECTION SYSTEM AND TREATMENT PLANT

### LOCATION SNAPSHOT

 
 Project location is Timor-Leste, Dili and a location outside Dili (tbd)

 Location & description
 Project to be implemented in Dili and one other municipality for hosting waste oil treatment and recycling plant.





## 1. PROJECT CONTEXT AND RATIONALE

#### Sector: Solid waste management

	The activity is classified under the following NACE codes:
1.1. Sector & Sub-sector(s)	<ul> <li>E) Water supply; sewerage, waste management and remediation activities</li> <li>38 - Waste collection, treatment and disposal activities; materials recovery</li> <li>38.12 - Collection of hazardous waste</li> <li>38.22 - Treatment and disposal of hazardous waste</li> <li>39 - Remediation activities and other waste management services</li> <li>39.00 - Remediation activities and other waste management services</li> </ul>
	The largest portion of the country's waste oil is generated by the three main Power Stations established in Hera (Dili Municipality), Betano (Same Municipality) and Sacato (RAEOA – ZEESM) which are operating on diesel. However, waste oil also appears from many smaller producers throughout the country, e.g. lubricant oil from motor vehicles, and individual generators. It is reported that the Dili Port also produces waste oil, and it has been exported to Surabaya for incineration as no suitable bilge or sump oil incinerator is available at the port <sup>1</sup> .
1.2. Rationale for PPIP intervention and IFI loan	Inadequate management of waste oil (see Figure 6) has been reported to constitute serious environmental problems such as soil and groundwater contamination and ecosystem damages (GoRDTL, 2012). In response to this, the Government of Timor-Leste, through the Secretariat of State for Environment (SEA), has established a recycling plant in Tibar, on the western edge of the existing landfill site (see Figure 2 below), to receive, store and transform waste oil into diesel to be used as fuel in the power plants. Supplemented with collection trucks, the facility consisted of five storage tanks of 120,000 litres each and a range of operational units.
	The National Directorate for Pollution Control (NDPC) has not provided accurate production capacity data for the plant. However, it is indicated that the Hera Power Station has its own storage tank of about 25,000 to 30,000 litres, while Betano has a 100,000 litres of storage capacity for waste oil. When these tanks are full, the NDPC is contacted to carry out the collection with normally two collection trucks. The collection was before entrusted to local companies but due to some irregularities, as well as because of the collection vehicles were not technically appropriate, the collection responsibility has now been taken over by the NDPC.
	The plant started operating from 2010 but it is currently (2021) not operating due to technical malfunctions and on February 22, 2021, SEA has signed a new memorandum of understanding with IOC Waste Oil Refinery to restart but only after an Environmental Impact Assessment (EIA) is

 $<sup>^{\</sup>rm 1}$  This information is from 2015. Is has not been verified or updated in 2021

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carried out with a subsequent grant of environmental licensing certificate. This has not been achieved yet.

During the operational period of the recycling plant, waste oil was being collected only from the Hera Power Station (Dili Municipality), Betano Power Station (Same Municipality) in addition to workshops around Dili. Other municipalities still remain unserved until now. The collection frequency has been on average 2-3 times per month. Collection services cost \$200/trip and \$500/trip from Hera and Betano to Tibar respectively.



Figure 1

Open waste oil storage and spillage at small producers of waste oil (garages). © COWI/2021

The amount of waste oil produced in the country is not recorded in detail. Waste oil produced from the two power plants is estimated at around 600 litres per day (~220 tons/year). In addition, used motor oil is generated from motor vehicles (e.g. motorcycles, cars, busses, and trucks), small generators, and other small scale generators. According to WHO<sup>2</sup>, the total number of officially registered vehicles in Timor-Leste in 2016 amounted to 146 596 vehicles. Assuming the following distribution of vehicles and their oil replacement, a rough estimate of waste oil from small producers indicates a production of around 160 tons annually.

#### Table 1 Estimate (rough) of waste oil production from vehicles in Timor-Leste

Type of Motor Vehicle	Estimated number Timor-Leste (2016)	Motor oil capacity (I)	Change frequency per year	Waste oil generation
Passenger car	16,000	4.5	0.5	36,000
Bus Car	3,000	7	1	21,000
Freight cars	8,000	7	1	56,000
Motorcycle	119,000	0.75	0.5	44,625
Total	146,000			157,625

Significant volumes of waste oil from vehicles and other small producers are assumed to be disposed of directly into the environment, from garages, fuel stations and individuals that lack proper storage and collection of the waste oil. It may also be assumed that a considerable amount of waste oil is utilized in ways that are environmentally not sustainable, including treatment of timber, poles and roofing timber, as coolant for chain saws, pest control, and as a source of fuel in simple furnaces.

Besides from being out of order, the existing waste oil recycling plant appears to be too small to accommodate and process the total amount of waste oil produced across the country, which is why SEA has secured a three hectares land in the municipality of Same and planned to install a similar but nation-wide and eco-friendly facility. According to SEA, these plans have not materialised as of October 2021.

<sup>&</sup>lt;sup>2</sup> https://www.who.int/data/gho/data/indicators/indicator-details/GHO/number-of-registered-vehicles

	<image/> <image/>		
1.3. Relevance to Strategic Development Plan & overall planning framework	The Government of Timor-Leste, in its Strategic Development Plan (SDP covering the years 2011- 2030), has demonstrated its commitment to bring improvement on the sector of urban solid waste management by introducing guidelines based on environmental laws and regulations to set standards for waste treatment in Dili and other main Cities, encouraging activities on waste recovery and better management of waste. The SDP called for the better waste treatment in Dili and other main cities and the encouragement of composting, plastic recycling, paper recycling and glass recycling plants. The SDP promised the provision for household rubbish bins, <b>collection of waste</b> <b>oils</b> , and reduction of the use of plastic bags by encouraging the use of paper bags as an alternative and hereby reducing the spread of communicable diseases transferred in waste, reduced clogging of drains and canals by solid waste causing malfunctions, and reduced outflux of waste to the sea for improvements of the marine life.	_	
	Accordingly, waste oils should be treated in accordance with the waste hierarchy to protect human health and the environment, waste oils should be collected separately from other wastes, and waste oils with different characteristics should not be mixed and not mixed with other kinds of waste or substances that would impede their treatment and/or recycling.	Commer	
	The project contributes to the following Sustainable Development Goal(s):	2/2017 chapter	
1.4. Relevance	Goal 6: Ensure availability and sustainable management of water and sanitation for all	decree and sar	
Development	<ul> <li>Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable</li> <li>Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable</li> </ul>		
Goals	development (See attached table for a more detailed description of contributions to achievement of SDGs)		
	The project promoter is/are:	_	
1.5. Project promoter(s)	Ministry of State Administration, through the National Directorate of Local Administration.		
	National Directorate for Pollution Control (NDPC), Secretariat of State for Environment (SEA), through its General Directorate for Environment (DGA)		
1.6. General institutional set- up	It is understood that the Secretary of State for Environment (SEA) will be the regulatory authority for the licensing process for the installation of any waste oil recycling plant, as well as to act as the implementing Government Department for investments related to this particular sector.		
	According to the Decree-Law 2/2017 "Urban Solid Waste Management System", collection and treatment of the MSW is responsibility of the municipalities, but this decree does not mention responsibility to collect and treat/dispose of hazardous waste. Therefore, with regards to legal frameworks, no any specific laws or guidelines have been produced to regulate upon this specific	_	

**Commented [WU1]:** Please consider the decree law no. 2/2017 of Urban solid waste management system in chapter II article 6 paragraph b) and referring to the decree law no. 38/2020 the creation of national Water and sanitation in article 4 paragraph 1) and 2),

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waste. The only law that generally does address the issue is the Decree-Law no. 26/2012 – Base Law for Environment.

## 2. INVESTMENT PROJECT INFORMATION

The general idea of the project is to provide adequate collection, transport/transfer equipment and services, supporting structures for segregated collection and recycling/reuse activities of waste oil, and to provide environmentally safe treatment/disposal facilities for this waste to the Timor-Leste population, in alignment to the extent possible with relevant development plans, and SDGs.

2.1. Scope of proposed project and type of investment measures to be implemented	<ul> <li>This project will benefit r management delivering in businesses will have acce (addition al economic act</li> <li>The project can generate the required sorting and as part of existing or new</li> <li>Specific objectives are:</li> <li>Provision of collectic waste oil from small and health standard</li> <li>Reduce significantly</li> <li>Reduce significantly</li> <li>Reduce significantly</li> <li>Increased levels of f</li> <li>Improved public aw</li> <li>Improved public aw</li> <li>Improvement of sta implementation, esp</li> <li>These objectives will be a equipment, structures, ai capacity building, and pu</li> <li>The anticipated investme</li> <li>Support the SEA in time supporting the</li> <li>A nation-wide collect is also supported.</li> <li>Strategic plan for m</li> <li>Collection equipment</li> </ul>	esidents and businesses in the entire country through improved solid waste mproved public health and economic opportunities. Residents and iss to new employment opportunities and the ability to deliver new services ivity). potential employment in collection and processing, both for construction of re-processing infrastructure, as well as for their operation & maintenance businesses. In services and facilities for intermediate waste storage and collection of as well as larger producers of waste oil, meeting adequate environmental shaphazard dumping and other illegal depositing of waste oil GHG emissions from illegal burning of waste oil recycling of waste oil areness and acceptance of a system for management of waste oil keholder knowledge and capacity in waste management planning and becially regards waste oil inchieved by investments in new and adequate waste management and plants, supplemented by investments in institutional development, blic awareness/education. Int measures include: establishment of a processing plant for waste oil in Same and at the same refurbishment of the plant at Tibar (if needed for re-starting the operation). tion system for collection of waste oil from small as well as large producers anagement of waste oils from Timor-Leste it for separate collection of waste oils from all producers	
2.2. Level of maturity	Project idea based on stakeholder dialogue and waste management goals of the Strategic Development Plan (SDP 2011-2030).		
2.3. Approach chosen for project implementation	The proposed Institutiona PMU (Project Management Unit)	Il set-up for project implementation is as follows: Implementing Agency: Established by the Promotor, comprising representatives from a (possible future) Regional Waste Management Entity and Municipalities, and supported by a Technical Assistance (TA) Consultant to oversee, monitor, and overall management of all components of the project in all phases	

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	TA Consultant:	Institutional development; Tendering; Design review, Capacity building; Public education	Monitoring;		
	Private Contractors (Implementation	Contractors Supply contracts: Contracts with PMU Works contracts: Contracts with PMU			
	Private Contractors	ntractors Transfer stations, Landfills and other plants: Service contracts with			
	(Operation phase):	Waste collection and transport: Service contracts with	municipalities		
		Promoter EIB /Others? Ministry of State Administration (MSA) Others?			
		Contract Reporting			
	ins Tendu bu	TA Consultant General romagnment Project Management Unit (PMU) titutional development; (Project Director) (Project Director) (staff)			
	Supr	rvision, Monifering and Control			
		Private Contractors/suppliers:     Works     Works     Supply     Contract     Contract			
	Super	vision, Monitoring and Control  Private Contractors: Collection Service Contracts Operation Contracts			
2.4. Identification of preliminary	Consideration about the oil in particular will be p disposal of waste oil, in fuel for power plant). The	e strategies in waste management in general and for final provided in the pre-feasibility study. Several alternatives of cluding recycling/reuse (e.g. upgrading to lubricant oil qu he options analysis may comprise elements such as:	disposal of waste exist for final ality or producing		
alternatives for	Number and locati	on of recycling/processing plants (one or two)			
the works	> Structure of collection system				
	> Option analysis regarding private sector participation				
	A first order indication	of the investment costs is shown below:			
2.5. Tatal	Output		Approx. cost (MEUR)		
2.5. 10tal	Waste oil storage equi	ipment for small producers (garages, workshops, etc.)	tbd		
project	Collection vehicles for	collection of waste oil from large and small producers	tbd		
investment	Facilities for processin	g/upgrading waste oil	tbd		
COSTS	TA project: Institution education/information	al developments, including capacity building and public	tbd		
	Total		tbd		

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Considering that the EIB's contribution to a project's cost is limited to 50% of the overall investment, the following financing sources have been identified:
> To be determined during Feasibility Study (PPIP).
<ul> <li>During operations phase, user payment under affordability constrains is anticipated, however, probably not full-cost coverage.</li> </ul>

## 3. IMPLEMENTATION ARRENGEMENTS

Climate-related standards

Cultural heritage

3.1. Provisional schedule for project implementation	The provisional schedule for proje specifications/design and tender of months for works execution, supp overlapping time for institutional l	ct implementatio lossier, 6-8 mont ly and installation puild-up.	n is about 36 months, hs for procurement ar n of equipment, and 4	, including 6-8 mon nd contracting, and months for trainin	ths fo 18 g, wil	or th
	The estimated time and resources	required are as	follows:			
3.2. Estimated time and	Phase	Time (months)	Level of Effort (person days – KE and Backstopping)	Level of Effort (person days – NKEs)		
resources for PES and ES	Pre-Feasibility study	4	25	7	5	
	Feasibility study	6	60	15	C	
	Total	10	85	22	5	
<ul> <li>3.3. Main barriers to develop the project</li> <li>3.4. Estimation of required TA activities to implement the planned</li> </ul>	<ul> <li>The main barriers to develop and</li> <li>Policies, plans, guidance doc not yet exist, including strate</li> <li>Financing sources, including during pre-feasibility and Fee</li> <li>Institutional set-up, i.e. setti proposed regional structure. implementation.</li> <li>The TA activities required to imple (establishment of relevant entities division of responsibilities between tendering of supply and works cor monitoring deliveries of supply co</li> </ul>	implement the pr numents and SWN egic plan for man tariff setting, fee asibility studies) ing up structures To be outlined in ement the investr s for ownership an n National, region tracts, contractin ntracts, monitorin	roject identified at this 1 strategies at the mu agement of hazardou: collection, billing pra- and establish respons PFS study and execu ment include: Instituti nd operation of plants hal, and municipal ent ng supply and works, ng works contract; pro- rotation: conscribe the	s stage are: nicipal or national I s waste. ctices, (to be identi sibility for operating ted during Project onal development /facilities/structure ities); tender proce review of detailed of eparation of tender	evel ( fied the s; dure, lesign doss	do , n,
investment	for operation contracts/service, te		lacting, capacity build	unig, public educati	011.	
4. SAFE	GUARDS AND ELIGIE	BILITY				
	A screening of environmental and environmental and social safegua	social aspects wi rds that may beco	ill be performed at the ome relevant are liste	e pre-feasibility stag d below:	je; th	ie
4.1. Environmental	Assessment and management of environmental and social impact risks	s and	Involuntary resettle	ment I	N	
and Social issues.	Pollution prevention and abatem	ent Y	Rights and interests	of vulnerable	٧	
recommended	Biodiversity and ecosystems	-	Labour standards	1	٧	
ESTA Needs	Climate valetad standarda	× ×	Occupational and and	his has the	<i>,</i>	

Occupational and public health, safety and security Stakeholder engagement

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4.2. Eligibility:	The proposed investment falls within the following sector(s) supported by the EIB Group under the Paris alignment framework (low carbon):			
Alignment with Paris Agreement	Infrastructure and equipment for collection and transport of waste, including vehicles with priority given to low and zero-carbon technology (where both technically feasible and economically viable). Vehicles with fossil-fuel technology shall meet EU Taxonomy criteria for DNSH.			
	A summary of the ten harm" (DNSH) in relation The following project	chnical screening criteria for "substantial contribution" and "do-no-significa ation to the six environmental objectives of the EU Taxonomy is shown belo activities are/will be aligned with the EU Taxonomy, as shown below:	nt- ow.	
	Environmental	Activity: Separate collection and transport of hazardous waste, NACE		
	objective	code E38.12		
	Climate change mitigation	DNSH: N/A		
	Climate change	DNSH: Climate risk and vulnerability assessment performed		
	Water and marine	DNSH: N/A		
	resources	DNCU		
	Circular economy	DNSH:		
		facilities with other waste or materials with different properties.		
	Pollution	Substantial contribution:		
	prevention &	1. Hazardous waste is source segregated from non-hazardous waste to		
	control	be separately collected and transported. Separate collection and		
		transport of hazardous waste include (but is not limited to) Waste oils		
4.3. Eligibility: Alignment with		Batteries		
		2. Proper collection and handling to prevent leakage of hazardous		
EU Taxonomy		waste during collection, transport and delivery to the treatment facility		
		which is permitted to treat hazardous waste.		
		3. In the course of collection and transport, hazardous waste is		
		packaged and labelled in accordance with the international and		
		Community standards in force.		
		4. The operator collecting hazardous waste complies with record-		
		keeping obligations including the quantity, nature, origin, destination,		
		frequency of collection, mode of transport and treatment method		
		foreseen set by applicable legislation.		
		6. The activity delivers the waste to economic activities which are		
		substantially contributing to either the transition to a circular economy		
		or pollution and prevention control objectives.		
	Biodiversity and	DNSH: N/A		
	ecosystems			
	Hazardous waste coll terms of infrastructu requires numerous p of solids, liquids, slue (biological, chemical	lection is considered a complex task that requires significant investments in re and maintenance/improvement of hazardous waste collection schemes a articipants in the private and public sector. Hazardous waste can take the f dges, or contained gases and are classified on the basis of their properties and physical).	า ind form	
	The very first step of hazardous (also refer	proper hazardous waste management is the collection of waste classified a rred to as hazardous and special waste by the industry). Separate collectio	as n	

plays an essential role in preserving the physical integrity of hazardous waste in various forms and preventing the leakage of hazardous substances. Besides substantially contributing to pollution and

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prevention control, proper collection of hazardous waste can help to close the loop of materials and hence contribute to circular economy.

To allow successful hazardous waste collection, some crucial activities have to take place

before. These include:

- proper storage
- labelling of the hazardous waste
- hazardous waste should not be mixed

The substantial contribution of separate collection of hazardous waste is to:

- ensure that hazardous waste is collected separately from non-hazardous waste;

 proper collection and handling prevent leakage of hazardous waste during collection, transport and delivery to the treatment facility permitted to treat hazardous waste, including through the implementation of standardised organisational measures for specific streams such as e-waste;

so as to reduce the pressures on the environment by preventing or reducing direct emissions of pollutants.

DNSH: N/A
DNSH: Climate risk and vulnerability assessment performed
Relevant techniques for the activity concerned are deployed as described for the protection of water and marine resources, as set out in the Best Available Techniques Reference Document (BREF) for Waste Treatment.
DNSH: N/A
Substantial contribution: Compliance (as a minimum) with the requirements defined in the BAT conclusions of the WT and WI BREFs, aiming to optimise the effectiveness and environmental performance of treatment processes for the safe destruction of the hazardous substances present in the waste (as per the implementation of BAT 8 of WI BREF, in case of thermal treatment). Facilities that have been granted a derogation as per the procedure outlined in IED article 15(4) are not considered as fulfilling the Technical Screening Criteria. Additional criteria for types of treatment or treatment steps that may
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	<ol> <li>Concerning all waste treatment processes (Technical Screening Criteria complementary to BAT 2 of WT BREF): Pre-acceptance procedures: In the case of hazardous waste, at least the following information must be gathered: (Expected) date of arrival at the waste treatment plant. The contact details of the waste producer and the sector which the waste originates from. The nature of process producing the waste, incl. the variability of the process. The estimated quantity expected to be delivered to the operator per delivery and per year.</li> <li>Description of the waste, incl.: composition, hazardous properties of the waste, waste code, the appropriate / suitable treatment route</li> <li>Acceptance procedures: In the case of hazardous waste, the following elements are in place: A reception facility equipped with a laboratory to analyse samples on site and documented analytical standard operating procedures, Documented sampling procedure consistent with relevant standards (e.g., EN 14899)</li> <li>Documented analysis of the relevant physico-chemical parameters for the treatment A dedicated quarantine waste storage area, as well as written procedures to manage non-accepted waste. Furthermore, the personnel having to deal with the (pre-) acceptance procedures need to be able due to his profession and/or experience to deal with all necessary questions relevant for the treatment of the wastes in the waste treatment facility. The procedures are intended to (pre-) accepting wastes at the waste treatment plant only if an appropriate / suitable treatment (route) is available and the disposal/recovery route for the output of the treatment is determined.</li> <li>Applicable to the (non-combustion) treatment of healthcare waste: The installation shall implement the best practices defined in the safe management of health care waste from WHO: https://www.euro.who.int/data/assets/pdf_file/0012/268779/Safe- management-of-wastes-from-health-care-activities-Eng.pdf</li> <li>In addition, and in order</li></ol>
	that the following types of healthcare waste are not accepted for treatment: Cytotoxic waste; Pharmaceutical waste; Chemical waste; Radioactive waste. Finally, the technologies used have to be certified by an acknowledged body.
Biodiversity and ecosystems	An Environmental Impact Assessment (EIA) or screening has been completed in accordance with Directive 2011/92/EU
2300/000110	

The proposed investment is not eligible for the Clean Oceans Initiative.

Relevant Sustainable Development Goals (SDGs) and indicators

Goals and targets	Indicators		
Goal 6. Ensure availability and sustainable management of wat	er and sanitation for all		
6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	6.3.2 Proportion of bodies of water with good ambient water quality		
6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes	6.6.1 Change in the extent of water-related ecosystems over time		
By reducing illegal dumping, use of environmental unsustainable d waste oil, significantly less quantities of hazardous waste will be di and other places where water can be contaminated, thus contributin	isposal practices, and improved collection coverage of sposed of in or close to fresh water sources, lakes, wells g to the targets and the general goal.		
Goal 11. Make cities and human settlements inclusive, safe, resi	lient and sustainable		
11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	11.6.1 Proportion of urban solid waste regularly collected and with adequate final discharge out of total urban solid waste generated, by cities		
The project plans from the outset proper collection, transport and disposal/recycling of waste oils to be provided for the entired population. Separately collected waste oil will significantly enhance the possibilities for achieving recycling goals as well as the general waste management goals. Also, prevention of illegal burning of waste oil in small furnaces will be prohibited/prevented, thus contributing to improved air quality. Finally, waste collection vehicles will meet EU Taxonomy criteria for DNSH thus minimizing the impact on air quality.			
Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development			
14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	14.1.1 Index of coastal eutrophication and floating plastic debris density		
By providing adequate collection, transport, and disposal/recycling illegally and not acceptable will dramatically decrease throughout 7 distances to the shoreline are more than 40 km. Since many current future risk of waste oil entering the sea will be dramatically diminis places, and these are closed/remediated.	of waste oil, the amount of waste oil being disposed of imor-Leste. The country is surrounded by the sea and no dumpsites are prone to flooding and flash-floods, the shed when waste is no longer disposed of in these unsafe		