

Minimum Requirements for Electronic Waste Compensation Services



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1 Introduction

The rapid growth of electronic products has created the world's fastest-growing waste stream: electronic waste (e-waste). Much of this waste contains hazardous substances and, when improperly handled, poses severe risks to human health and the environment. While formal collection and recycling systems are expanding, particularly in high-income countries, large parts of the world still rely heavily on the informal sector, where valuable fractions are extracted but hazardous fractions are dumped or burned.

E-waste compensation has emerged as a voluntary mechanism to finance the responsible collection and treatment of e-waste that would otherwise not be properly managed. These minimum requirements set out a baseline framework for service providers, to ensure that compensation is credible, impactful, and aligned with the principles of circular economy and social responsibility.

These requirements are designed to:

- Ensure **integrity and credibility** of compensation activities.
- Promote **fair competition** by setting common expectations.
- Drive **environmental and social benefits**, particularly in developing countries.
- Provide **data and evidence** of waste management activities to support policy-making & enforcement.
- Support the development of **future-proof waste management systems**.

They serve as a foundation for stakeholders to build upon; exceeding these requirements is encouraged.

2 Definitions

- **Electronic Waste (E-waste)**: Discarded electrical or electronic equipment, including components, sub-assemblies, consumables, and materials derived from dismantling or recycling. In this document, waste is specifically devices that are end-of-life, and not devices that can be repaired or reused.
- **Waste Compensation**: A voluntary service that finances the responsible collection, treatment, and verified recycling of e-waste, ensuring the end-to-end management of e-waste that would otherwise not be properly managed. It works by connecting the collection and proper treatment of e-waste to the sale of new devices such that the sale of a new device triggers the collection of an equivalent amount of waste.
- **Additionality**: Outcomes are additional when they would not have occurred without the compensation mechanism. Activities already happening in the market, such as informal recovery of valuable metals (copper, aluminum, gold, circuit boards), do not qualify as compensation. Additionality applies primarily to the proper collection and safe treatment of "zero-value" or hazardous fractions such as brominated plastics, CRT glass, or mercury-containing lamps, which are typically neglected. Promoting the proper management of waste (for example by incentivizing the collection and treatment of intact devices to avoid dumping of non-valuable components) is also deemed additional, so long as the non-valuable and hazardous components are also managed.

- **Proper Recycling:** The service provider must be able to prove that the recycling methods employed are demonstrably safer and cleaner than standard local alternatives, minimizing environmental and health risks. In case of a lack of established benchmarks such as WEEELabex, R2, or others (as is often the case in developing countries), the compensation provider shall instead provide a self-declaration that indicates the processes of recycling, and must be able to show proof of execution of said processes. For waste compensation to be applicable, this step includes the full recycling process, including the final steps of smelting/palletizing or incineration. Section 6 will go more in depth on the specific requirements for a self-declaration.
- **Service Provider:** An organization implementing or coordinating waste compensation activities and ensuring compliance with these minimum requirements.
- **Verified Impact:** Independently validated outcomes demonstrating that e-waste has been responsibly collected and treated via safe and compliant recycling methods, with benefits for both the environment and local communities.

3 Principles

Waste compensation services shall be guided by the following principles:

1. **Waste Hierarchy:** Respect the waste and circular economy hierarchy—prevention, reuse, and repair should come before recycling and disposal. Compensation should not create incentives to bypass repair or reuse. This is in part achieved by targeting end-of-life devices in developing countries.
2. **Additionality:** Only e-waste that would otherwise be managed in an unsound manner or remain completely unmanaged can be counted. Compensation must deliver measurable improvements over the baseline.
3. **Environmental Responsibility:** Ensure safe, non-polluting recycling and prioritize hazardous fractions with the highest risk of harm.
4. **Social Responsibility:** Uphold labor rights, ensure fair wages, prohibit child labor, and promote safer livelihoods for informal workers.
5. **Transparency and Traceability:** Use reliable software systems to maintain clear and transparent data on the management of waste, including collection, logistics and final treatment. Such data must be made available for verification by a third party if requested.
6. **Local Value Creation:** Compensation should strengthen local waste management capacity, infrastructure, and industry, contributing to long-term systemic improvements.

4 Minimum Requirements

4.1 Collection and Recycling

- Focus on **post-consumer devices** that have reached the end of their useful life.
- Compensation cannot be claimed for:
 - In the case of a functioning and effective EPR scheme, products already covered under contractual or regulatory take-back obligations.
 - Products covered under corporate recycling schemes or contracts. (e.g. products for which an entity has paid for the recycling of those products).
 - Singling out of fractions already widely collected by informal actors (e.g., copper wire, aluminum).
- Prioritize proper handling of hazardous and low-value fractions that are otherwise dumped or burned.
- Service providers must have functioning processes in place for managing the full end-of-life supply chain of the electronic waste, from collection to transport, sorting, dismantling and final recycling. Providers must demonstrate that e-waste will not be stored for an indefinite period.
- Prioritize collection and treatment of intact products, removing the incentive for unsafe dismantling or other treatment. The harvesting of parts for the purposes of repair and re-use is acceptable; however, the cherry-picking of valuable fractions for recycling at the expense of low value fractions is not, hence the service provider should also avoid incentivizing cherry-picking by other actors by freely accepting products that have been harvested in unsafe conditions. (e.g. CRT tubes with missing yokes).
- Prohibit partial collection of only valuable components (e.g., collecting PCBs while discarding casings).
- Ensure collection and recycling are demonstrably safer and cleaner than the local baseline.

Examples

- Not Compensation: Paying informal recyclers to recover copper wires, unless an incentive is used to ensure a safer and more environmentally sound method is used, since this is already common practice.
- Valid Compensation: Financing safe treatment of CRT glass, mercury lamps, or brominated plastics, which are typically neglected due to their negative economic value, or financing the collection of complete CRT monitors and subsequently managing all resulting fractions.

4.2 Verification and Transparency

- Maintain responsibility for the entire supply chain, from collection to final treatment.
- Maintain traceability from collection to final treatment by using reliable and auditable software systems.
- Demonstrate the mass balance of materials/products by showing the amount of inbound and outbound materials in dismantling/recycling processes.
- Enable independent third-party auditing of key partners, processes, and facilities.

- Enable independent third-party audits or verification of impact data.
- Ensure full transparency on how additionality is determined and measured.

4.3 Additionality and Impact

- Demonstrate that activities are not double-counted under other schemes (e.g., EPR).
- When possible, show clear environmental impact, in terms of waste collected, managed, and documented, particularly the hazardous fractions.
- Prove social impact, including safer working conditions and inclusion of informal workers in improved systems.
- Report outcomes in a consistent and comparable way, enabling long-term performance tracking.

4.4 Legal and Ethical Compliance

- Comply with international law (e.g., Basel Convention, Waste Shipment Regulation) and national legislation.
- Implement zero-tolerance for bribery, corruption, unsafe practices, and child labor.
- Uphold human rights and fair labor standards, including living wages.

4.5 Relationship to EPR

- Compensation does not replace Extended Producer Responsibility (EPR), but complements it in the following ways:
 - In countries without EPR, compensation can serve as a transitional financing tool.
 - In countries with developing EPR systems, compensation can help build infrastructure and capacity.
 - In countries with established EPR, compensation may support activities beyond regulatory scope (e.g., informal sector inclusion).
- Providers should be able to update their function within the EPR developments in countries where they operate once a year

4.6 Geographic Prioritization

Compensation activities should focus on regions with:

- Low or non-existent e-waste collection systems for post-consumption electronics.
- Weak or absent EPR frameworks.

- Low rates of formal recycling and heavy reliance on the informal sector.
- Significant environmental and health risks from current practices.
- Market size sufficient to make compensation operationally viable.

5 Scope and Limitations

- **Scope:** Applies to service providers and subcontractors offering e-waste compensation across all WEEE categories, including large appliances, consumer electronics, and batteries.
- **Limitations:**
 - This document does **not** prescribe how end-users (e.g., companies, consumers) may communicate or market their participation in an e-waste compensation scheme. Claims of “waste neutrality” could be misleading and should be avoided. Preferred framing is that services “support circular practices.”
 - Compliance with consumer protection and anti-greenwashing laws (e.g., EU directives) is the responsibility of the service user.
 - These requirements establish a **minimum baseline**; service providers are encouraged to exceed them.

6 Self-Declaration

To demonstrate compliance with the minimum requirements and to additionality beyond the existing baseline, compensation providers are required to provide a Self-Declaration addressing the following elements:

1. A description of the local e-waste context

Provide an overview of the current e-waste management landscape in the project area. This section should be developed or validated by a local organization with contextual knowledge of the region. This may include (but not limited to):

- Annual e-waste generation volumes (from the Global E-waste Monitor or equivalent data sources).
- The percentage of e-waste formally collected and documented.
- The current status of Extended Producer Responsibility (EPR) implementation.
- A localized description of the processing environment, including an analysis of potential unintended negative consequences (e.g., impact on informal livelihoods or local ecosystems).

- A gap analysis that articulates the specific gaps the compensation activity aims to address, ensuring the project complements rather than disrupts existing local efforts.

2. A description of the intervention

Describe the specific categories of waste electrical and electronic equipment (WEEE) targeted for collection and recycling. Alternatively, if the activity focuses on system improvement rather than direct collection, outline the nature of the intervention (e.g., upgrading existing collection infrastructure, including informal networks, or introducing environmentally sound management practices).

3. A description of how the waste will be recycled

Describe what materials enter the recycling process and explain how each resulting waste fraction is handled or recovered.

- Show that waste has been delivered to recycling facility
- Show proof that waste has been recycled (e.g. recycling results)
- Provide a mass-balance example of input and output volumes for the process used

4. Demonstration of improvement over baseline

Explain how the proposed activity delivers improvements over the local baseline conditions. For example: higher recovery rates, improved environmental performance, better occupational health and safety standards, enhanced traceability of waste flows, or formalization of previously informal operations, etc.

Supporting Evidence (Optional but Recommended)

Attach or reference:

- Data sources (e.g., Global E-Waste Monitor, national statistics)
- Facility licenses or permits
- Material flow records or invoices
- Photos, maps, or system flow diagrams, potentially with geotags.



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