

The Saudi Waste Spectrum

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Waste management in the Kingdom of Saudi Arabia

Waste Management is central to ensuring the most efficient use of natural resources across the globe. Nothing is, or should be, “disposable.” Properly configured waste management can contribute to the reduction of greenhouse gas (“**GHG**”). The United Nations Sustainable Development Goals^[1] specifically address “sustainable consumption and production patterns” emphasising that the lack of waste management is a twin threat: loss in resources and increases in global warming.

Municipal Solid Waste (“**MSW**”) has hit 2.01 billion^[2] tons annually. In our region alone, the volume of waste is projected to breach 255 million tonnes annually by 2050 (up from 129 million tonnes in 2016). The United Nations is playing a pivotal role in helping member states grapple with the global and regional challenges of this burgeoning waste problem. Through its programs such as United Nations Development Program (“**UNDP**”) and the United Nations Environmental Program (“**UNEP**”) the United Nations encourages proactive measures in waste management.

The Kingdom of Saudi Arabia (“**KSA**”), has assiduously worked on several projects to enhance waste management in almost all its cities.

In 2013 the state enacted the Solid Waste Law (“**SWL**”) ^[3]. Under the SWL, the Ministry of Municipal and Rural Affairs regulates the relation between government and contractors and the behaviour of contractors in regards to all types of waste, such as dangerous medical, and industrial wastes. In accordance with the SWL, waste is transferred to special facilities where it is processed and disposed. The labour-intensive recycling process is performed manually by an extensive number of workers.

Under the SWL various kinds of waste are regulated and the participation and licensing of the private sector is expressly encouraged. The SWL also applies financial sanctions and an obligation to pay the expense of restoring any site where unlicensed activities have occurred.

KSA has (even since 2013 when the SWL was introduced) enjoyed significant economic and population growth a necessary corollary of which is an increase all categories of waste. With a population of nearly 29 million, waste management is a pressing challenge for KSA. More than 75% of the population now lives in urban areas and this has required KSA to introduce standards to improve urban waste management in particular.

On January 2016 the capital city’s Comprehensive Waste Strategy (“**the Strategy**”) was developed by ArRiyadh Development Authority. This Strategy aims to reduce the quantity of waste generated in the city and implement the best technologies for waste management. The Strategy showed that Riyadh generates over 50 million tons of waste per year, divided between MSW, construction, demolition and excavation wastes, industrial wastes, healthcare wastes, and sewage sludge. The Strategy also divides the responsibility for oversight such that the Ministry of Municipal Rural Affairs and Housing is responsible for strategic planning for waste management and the delivery of waste management services across KSA. Ministry of Health is responsible for managing healthcare wastes, and the Saudi Industrial Property Authority would be responsible for industrial wastes. It should be noted that as part of Vision 2030 all of these bodies are simultaneously undergoing programmes of reform, often under the rubric of public-

private partnership^[4]. The use of resources, the management of waste (especially construction waste) and the long-term waste footprint of such public-private schemes is likely to be a key determinant of their success.

Bringing us near up-to-date, Cabinet Decision No: 457 dated 17th April 2019 promoted creation of the National Waste Management Centre (**"the NWNC"**). The Centre aims to regulate activities related to importing, exporting, collecting, transporting, sorting, storing, treating and final disposal of waste, including the subsequent long-term status of the relevant waste disposal site.

The NWNC, Riyadh Municipality and the Saudi Investment Recycling Company, a wholly owned subsidiary of the Public Investment Fund – the Kingdom's highly strategic sovereign wealth fund – signed a memorandum of understanding on 14th July 2019, for the purpose of developing an integrated waste management and waste recycling solution for Riyadh. The memorandum of understanding signposts the goal of an overall waste management strategy for Riyadh by 2035.

On the 28th July 2020 NWNC also signed a memorandum of understanding with a specialized waste management company to introduce innovative solutions to facilitate a more environmentally friendly Hajj. The agreement would introduce smart bins that work on solar panels to reduce carbon footprint, with aim of would segregating waste and harvesting waste for re-use (a particularly important element of which is plastic water bottles).

Most recently on January 18th 2021, KSA launched new waste management policies and measures aimed at reducing GHG production through recycling waste and embedding industrial re-use of materials as part of the circular economy.

The four giga-projects launched by the Public Investment Fund (the Red Sea, NEOM , Amala and (just recently) Al Soudah projects) will have to adopt carefully crafted waste management strategies. Sold to the wider world on the basis of their ecological credentials these projects are already considered as pioneers in sustainability. The Red Sea Development Company (**"TRSDC"**) launched a program to clean-up ocean debris, becoming an official partner for the United Nation's public action initiative #ACT4SDG. As part of that effort, TRSDC is working on removing debris that washes up on the islands and mainland shorelines within the project areas, as well as increasing the awareness of the local population by educating them about waste disposal methods and how to reduce, recycle and reuse these materials.

The Royal Commission of Jubail and Yanbu (**"RCJY"**), which is the relevant authority for two of the heavy industrial zones in the Kingdom, has established the Royal Commission Environmental Regulations which includes environmental requirements, depending on the proposed activity, for the purpose of maintaining international standards of environmental protection and public health safety within its jurisdiction. The regulations cover matters such as:

Air quality requirements: To ensure that any proposed development will not have any adverse impact on the air quality and that the proposed land use will not increase pollutant levels;

Water quality requirements: To ensure that the proposed development will not have any adverse impact on the water quality in the RCJY and to set controls around industrial waste water. Periodic analysis of water samples within the RCJY, including testing for metal ions and hydrocarbon, pesticides, oil, grease, organic and inorganic materials are conducted; and

Waste management requirements: To ensure that appropriate conditions are implemented to ensure that both hazardous and non-hazardous industrial wastes generated by the development will be appropriately treated and disposed of. This generally involves collection by an RCJY authorized agency and treatment to the RCJY's established standards.

The private sector is also very active within the Kingdom and has been for some time. Saudi Gulf Environmental Protection Company (**"SEPCO"**) was the first company in Saudi Arabia to offer

environmental services. SEPCO was established in 1997, and in 2005 it was awarded the best application of environmental management in the Arab world. SEPCO offers different solutions to the various types of wastes by building plants specialized in the type of wastes such as building plants related to medical wastes throughout the Kingdom. SEPCO's services are related to environmental treatment solutions which provides high standards in waste management techniques, water treatment solutions, environmental evaluation, and awareness.

SEPCO projects use the latest technologies and mechanism to produce fertilizers from organic wastes, one of its main projects is the Saudi Aramco refinery project in Jazan Economic City.

In 2017 PIF launched a subsidiary called the Saudi Investment Recycling Company ("SIRC"). As mentioned on its website SIRC is founded *"to develop, own, operate, and finance various activities across all waste types to establish recycling capacities in the Kingdom and build a circular economy for a sustainable future. Through its achievements, SIRC will help meet and exceed the objectives of the Vision 2030 and support the success of various initiatives identified by the revised Waste Management National Regulatory Framework."* SIRC aims on reducing the emission of wastes that cause severe pollution and turn them into valuable materials that can be used such as but not limited to tires and electronics and other products that require special management due to their characteristics such as their volume and/or their nature.

On the 27th of March 2021 HRH Prince Mohammed Bin Salman announced the "Saudi Arabia Green Initiative" and the "Middle East Green Initiative". In his announcement, the Prince emphasized that KSA will work harder on protecting the land, by reducing carbon and combating pollution and land degradation, and preserving marine life, commenting that:

"As a leading global oil producer, we are fully aware of our responsibility in advancing the fight against the climate crisis, and that just as we played a leading role in stabilizing energy markets during the oil and gas era, we will work to lead the coming green era."

As regards enforcement more generally, it should be noted that HRH Prince Mohammed Bin Salman recently announced the formation of new body to oversee infringement of environmental regulations:

"...Attorney General, Sheikh Saud bin Abdullah Al-Mujib, issued a decision to establish a department specialized in investigating environmental crimes with the aim of strengthening the criminal protection of the environment and its natural components, in light of modern regulations that deal with preventive and procedural aspects... which entails assigning competence to investigate and prosecute violations of the provisions of Articles 28 and 29 to the Public Prosecution Office."

This new independent department will investigate environmental issues, which will enhance measures and procedures that limit criminal practices that negatively affect the environment and climate, and among its competencies will be to investigate all criminal patterns and behaviours that threaten climate stability and environmental sustainability under a single penal system."

Businesses operating in, or aspiring to do business in the Kingdom, need to pay particular attention to their resource and waste management models – the direction of regulation and enforcement is clear. General counsel should be assessing the implications of this new initiative as part of their overall governance, compliance and risk strategy and assisting their commercial stakeholders in analysing potential economic gains to be had from an analysis of the circularity embedded in their product.

On the 2 March 2021 TRSDC provided a great example of the kind of innovation which the climate imperative and the priorities of the Saudi state require. In partnership with Source Global, bottled water will be "sourced from the skies" – the production of the water will be only from the sunlight and air. The technology used draws pure water vapor out of the air and converts it to premium mineralized drinking water. Reusable glass bottles will be refilled onsite as part of a fully circular sustainable distribution model. TRSDC's Chief Executive Mr. John Pagano comments:

“As we push the boundaries and set new global standards for sustainable development, we are adopting cutting-edge technology and business practices that are in harmony with nature. Our partnership with Source Global makes us the only destination in world with truly regenerative bottled water and reflects our commitment to operate using only renewable energy and free of single-use plastics”.

The Saudi waste market is full of potential – for public-private partnerships, for innovation in the promotion and adoption of new technology and for achieving significant economic gains in terms of how business is transacted. The rewards will be significant – the risks for businesses which do not take their duties seriously are likely to be increasingly severe.

[1] United Nations; SDG 12: <https://www.un.org/sustainabledevelopment/sustainable-consumption-production/>

[2] World Bank: https://datatopics.worldbank.org/what-a-waste/trends_in_solid_waste_management.html#:~:text=The%20world%20generates%202.01%20billion,from%200.11%20to%204.54%20kilograms.

[3] Royal Decree No: M/48 25th July 2013

[4] We look at the new Privatization Law elsewhere – see [].

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