

UNIVERSIDADE ESTADUAL DE CAMPINAS Faculdade de Engenharia Mecânica

OCTAVIO PIMENTA REIS NETO

# Economic Viability, Socioeconomic and Environmental Impacts from a Large-Scale Model of Urban Solid Waste Treatment in the Metropolitan Region of São Paulo

A Viabilidade Econômica e os Impactos Socioeconômicos e Ambientais de um Modelo de Tratamento de Resíduos Sólidos Urbanos de Larga Escala na Região Metropolitana de São Paulo

### **OCTAVIO PIMENTA REIS NETO**

# Economic Viability, Socioeconomic and Environmental Impacts from a Large-Scale Model of Urban Solid Waste Treatment in the Metropolitan Region of São Paulo

# A Viabilidade Econômica e os Impactos Socioeconômicos e Ambientais de um Modelo de Tratamento de Resíduos Sólidos Urbanos na Região Metropolitana de São Paulo

Thesis presented to the School of Mechanical Engineering of the University of Campinas in partial fulfillment of the requirements for the degree Doctor in Planning of Energetic Systems.

Tese apresentada à Faculdade de Engenharia Mecânica da Universidade Estadual de Campinas como parte dos requisitos exigidos para a obtenção do título de Doutor em Planejamento de Sistemas Energéticos.

Orientador:

Prof. Dr. Marcelo Pereira da Cunha

ESTE EXEMPLAR CORRESPONDE À VERSÃO FINAL DA TESE DEFENDIDA PELO ALUNO OCTAVIO PIMENTA REIS NETO, E ORIENTADA PELO PROF. DR. MARCELO PEREIRA DA CUNHA.

ASSINATURA DO ORIENTADOR

CAMPINAS/SP 2018

Agência(s) de fomento e nº(s) de processo(s): CAPES, 33003017; CAPES, 88881.135606/2016-01 ORCID: https://orcid.org/0000-0002-7865-7526

> Ficha catalográfica Universidade Estadual de Campinas Biblioteca da Área de Engenharia e Arquitetura Luciana Pietrosanto Milla - CRB 8/8129

R277e	Reis Neto, Octavio Pimenta, 1973- Economic viability, socioeconomic and environmental impacts from a large- scale model of urban solid waste treatment in the metropolitan region of São Paulo. / Octavio Pimenta Reis Neto. – Campinas, SP : [s.n.], 2018.
	Orientador: Marcelo Pereira da Cunha. Tese (doutorado) – Universidade Estadual de Campinas, Faculdade de Engenharia Mecânica.
	1. Reciclagem. 2. Energia. 3. Viabilidade econômica. 4. Sustentabilidade. I. Cunha, Marcelo Pereira da, 1967 II. Universidade Estadual de Campinas. Faculdade de Engenharia Mecânica. III. Título.

Informações para Biblioteca Digital

**Título em outro idioma:** A viabilidade econômica e os impactos socioeconômicos e ambientais de um modelo de tratamento de resíduos sólidos urbanos na região metropolitana de São Paulo.

Palavras-chave em inglês: Recycling Energy Economic viability Sustainability Área de concentração: Planejamento de Sistemas Energéticos Titulação: Doutor em Planejamento de Sistemas Energéticos Banca examinadora: Marcelo Pereira da Cunha [Orientador] Joaquim Eugênio Abel Seabra Luciano Basto de Oliveira Marcos Djun Barbosa Watanabe Waldir Antonio Bizzo Data de defesa: 28-09-2018 Programa de Pós-Graduação: Planejamento de Sistemas Energéticos

### UNIVERSIDADE ESTADUAL DE CAMPINAS FACULDADE DE ENGENHARIA MECÂNICA COMISSÃO DE PÓS-GRADUAÇÃO EM ENGENHARIA MECÂNICA PLANEJAMENTO DE SISTEMAS ENERGÉTICOS

**TESE DE DOUTORADO ACADÊMICO** 

# Economic Viability, Socioeconomic and Environmental Impacts from a Large-Scale Model of Urban Solid Waste Treatment in the Metropolitan Region of São Paulo

# A Viabilidade Econômica e os Impactos Socioeconômicos e Ambientais de um Modelo de Tratamento de Resíduos Sólidos Urbanos na Região Metropolitana de São Paulo

Autor:	Octavio Pimenta Reis Neto
Orientador:	Prof. Dr. Marcelo Pereira da Cunha

A Banca Examinadora composta pelos membros abaixo aprovou esta Tese:

Prof. Dr. Marcelo Pereira da Cunha , Presidente Universidade Estadual de Campinas - UNICAMP

Prof. Dr. Joaquim E. A. Seabra Universidade Estadual de Campinas - UNICAMP

Prof. Dr. Waldir A. Bizzo Universidade Estadual de Campinas - UNICAMP

Dr. Luciano B. de Oliveira Empresa de Pesquisa Energética - EPE

Dr. Marcos D. B. Watanabe Laboratório Nacional de Ciência e Tecnologia do Bioetanol - CTBE

A Ata da defesa com as respectivas assinaturas dos membros encontra-se no processo de vida acadêmica do aluno.

### Dedicatória

Aos Cidadãos, que acham que o problema do lixo urbano se resolve simplesmente com a coleta na porta de sua casa.

Aos Políticos, que ignoram a importância da destinação e tratamento dos resíduos sólidos urbanos, por não entenderem ser esse um tema eleitoral.

Aos Pesquisadores que, por ideologia ou interesse próprio, dedicam seu tempo e recursos em prol de uma única alternativa, deixando outras de lado e/ou ignorando os possíveis benefícios de suas complementariedades.

Aos Empreendedores, que preferem o ganho fácil, mas ignoram o grande passivo social, econômico e ambiental que se acumula ano após ano no país.

### Agradecimentos

À Vida, com todas as facilidades e, principalmente, as dificuldades que me tiram o sono, porém, que me deixam constantemente pensado e com a certeza de que existem saídas.

À minha Família, por ter me proporcionado um ambiente de constante discussão sobre questões do dia-a-dia, e que hoje é responsável pela formação de minha consciência crítica das coisas.

Aos meus Orientadores, que me desafiaram a pensar sobre múltiplas questões, e sempre seguido de um inspirador "siga em frente".

Ao Ministério da Educação e Cultura (MEC), através da Coordenação de Aperfeiçoamento de Pessoal de Nível Superior (CAPES), por ter destinado um recurso financeiro que ajudou no desenvolvimento da tese.

À Universidade Estadual de Campinas (UNICAMP) e à Carnegie Mellon University (CMU), por terem destinados recursos físicos e acesso às informações importantes que estruturam esse trabalho.

### Resumo

À luz do Plano Nacional de Resíduos (PNRS), Lei nº 12.305/10, ainda não colocado em prática e em revisão, o presente trabalho apresenta um modelo integrado de tratamento de resíduos sólidos urbanos em larga escala para a Região Metropolitana de São Paulo. A maior região macroeconômica brasileira se apresenta como típico caso de região atendida por aterros sanitários, porém, próximos do fim de suas vidas úteis. Com a maior densidade demográfica do país e rodeada por grandes reservatórios de água potável, a construção de novas áreas para disposição de resíduos não será tarefa fácil, sem que conte com o de acordo de outras regiões, órgãos de proteção ambiental e a gestão de maiores custos de transporte e disposição. Além disso, apesar da existência de iniciativas de coleta seletiva e reciclagem através de cooperativas de catadores subsidiados pelo Governo local, os resultados estão bem aquém do esperado.

A fim de quebrar o paradigma do investimento com baixo retorno atrativo quando se trata de iniciativas de saneamento básico, a tese sugere um modelo alternativo ao uso da terra e com foco fabril no reaproveitamento do lixo urbano. Apesar do alto investimento em tecnologias encontradas em países desenvolvidos, a consideração de receitas oriundas da reciclagem mecânica, biológica e térmica, com a produção e comercialização de eletricidade, mudam o patamar de retorno do investimento e com riscos muito baixos, segundo registros históricos.

Através de dados mais recentes da economia, foi simulado o impacto da proposta sobre a economia do ano de 2013 com um modelo insumo-produto de transações inter-regionais e intersetoriais. Considerada um novo setor na economia da RMSP, a proposta oferta reciclados (plástico, metal, papel, vidro, adubo orgânico e eletricidade) que substituem, segundo normas locais, os materiais virgens. Os impactos foram estimados através de variações do PIB, Valor de Produção, Postos de Trabalho, Consumo de Energia e Emissões de GHG em unidades de toneladas equivalentes de CO2. Em síntese, haveria um crescimento no PIB e manutenção no valor da produção locais, porém, um decréscimo no resto do país em função do menor nível do valor dos reciclados em relação às matérias-primas virgens e mudanças na relação consumidorfornecedor em todas as regiões. O número de postos de trabalho apresentaria uma elevação na RMSP, com uma leve queda no resto do país em função da natureza pronta do reciclado e sua capacidade substituir insumos brutos. A demanda energética cairia como consequência da introdução dos reciclados na cadeia produtiva. O tratamento térmico do resíduo remanescente reduziria a a necessidade de despacho de eletricidade oriunda da queima de combustíveis fósseis, onerosa e poluente. O nível de emissões de carbono também é reduzido com essa energia alternativa ao óleo e a mitigação de aterros sanitários que produzem CH4.

A fim de contribuir com sucesso ainda não alcançado do PNRS e seu atual estágio de revisão, a tese faz uma crítica à política pública, apresentando um proposta de desafio mínimo para a reciclagem de materiais (plástico, papel e vidro) destinados ao mercado de descartáveis. O PNRS é uma ferramenta importante para a segurança jurídica para investimentos e implantação de iniciativas públicas e privadas, e precisa ser desafiado. Sem métricas e responsabilidades claras, seja qual for a política proposta para a gestão de resíduos urbanos, não terá sucesso mesmo com as melhores práticas mundiais, como por exemplo, o caso bem sucedido de destinação de pneumáticos no Brasil.

### Abstract

Under the National Solid Waste Policy (PNRS), Law No.12.305/10, which is not working and now being reviewed, this study shows an integrated large-scale model of urban solid waste treatment for the Metropolitan Region of São Paulo. Most significant macroeconomic Brazilian region, it is the typical case of region attended by landfills, but all of them almost at the end of their lifetime. With the highest demographic density in the country and rounded by large drinkable water reservoirs, to build other areas to dispose of residues will not be an easy task without dealing with other regions, getting approval from environmental protection agencies, and managing higher costs of transportation and disposition. Besides that, even having initiatives of recyclables collection and recycling through collectors' cooperatives subsidized by local Government, their results are pretty low about what's expected to.

In a scenario of the low internal rate of return for essential sanitation enterprises, the thesis suggests an alternative model to the land use which is focused on an urban industrial waste recovering. Despite the high investment needed to use common well-recognized recycling technologies, the revenues from the sales of the products produced by mechanical, biological and thermal processes, including electricity, are the way to change the level of the interest rate of return with low risk, based on market parameters records.

Based on the most recent economic data, the thesis simulates the impact of the proposal on the 2013's economy through an interregional and intersectoral Input-Output (I-O) modeling. Through a new sector in the MRSP's economy, the project supplies recycled products (plastic, metal, paper, organic fertilizer and electricity) which can replace "virgin" ones, fitting requirements from local standards and procedures. The impacts on the economy have been estimated through calculated variations on GDP, the value of production, job positions, energy consumption and GHG emissions measured in equivalent tons of CO<sub>2</sub>. Briefly, GDP would rise, and production valuation keeps the same in the MRSP, but decreasing in the rest of the country, due to the lowest value of the recyclables in comparison with "virgin" materials and changes in the relationship between consumer and supplier in all regions. The number of job positions would increase in the MRSP and slightly decrease in all regions explained by the ready-to-use nature of the recycled and its capacity of replacing new raw materials. The energy consumption would fall as a consequence of the recyclables' introduction in the production chain. Moreover, the remaining residues' thermal treatment would reduce the need for the dispatch of electricity produced by fossil fuels thermoelectric plants, expensive and polluting. The level of carbon emissions would also decrease with this energy alternative to the oil-based and through the mitigation of landfills which release CH<sub>4</sub>.

Contributing with success not yet achieved by the PNRS and its current stage of reviewing, the thesis also criticizes the public policy presenting a proposal of a minimum challenge for the materials recycling (plastic, paper, and glass) which are used to produce disposables. The PNRS is an essential tool of legal security for public and private investments and initiatives. Without clear metrics and responsibilities, independently of what it proposes as policy for the waste management, the success will not be achieved even considering worldwide best technologies and procedures, such as the successful benchmarking Brazilian case of pneumatics disposal.

## Lista de llustrações

Figure 1. Urban Solid Waste generation in the world	19
Figure 2. Final disposal to the urban solid waste in the world	20
Figure 3. Relation GDP and MSW generation in developed and developing regions	21
Figure 4. MSW generation in Brazil from 2003 to 2016	22
Figure 5. People collecting recyclables and rest of food in Brazilian dumps	24
Figure 1.2.1. Collection coverage for Tires	33
Figure 1.2.2. Tires Recycling in Brazil	33
Figure 1.2.3. Life Cycle and Final Destination for Used Tires	34
Figure 2.1.1. Integrated waste recovering plant, or MBT+WtE facility	39
Figure 2.2.3.1. Original Use matrix (U) based on the type of industries and products	
(combined technology)	51
Figure 2.2.3.2. Make matrix (V) based on the type of industries and products (combined	
technology)	51
Figure 2.2.3.3. Proposed Use Matrix (U) considering the new MBT+WtE sector	53
Figure 2.2.3.4. Original Technical Coefficients' Matrix (B) from the economy	54
Figure 3.1.1. Potential sales revenues	64
Figure 3.1.2. Pocket margin	65
Figure 3.1.3. Operational costs' breakdown for 2013	66
Figure 3.1.4. Financial costs' breakdown for 2013	66
Figure 3.1.5. IRR analysis with a 99% confidence level	67
Figure 3.1.6. NPV analysis with a 99% confidence level	68
Figure 3.1.7. Payback analysis with a 99% confidence level	68
Figure 3.1.8. ROI analysis with a 99% confidence level	69
Figure 3.2.1.1. GDP impacted in 2013	72
Figure 3.2.1.2. Production Value impacted in 2013	72
Figure 3.2.1.3. Number of Jobs impacted in 2013	73
Figure 3.2.2.1. Energy consumption impacted in 2013	75
Figure 3.2.2.2. Emissions impacted in 2013	76
Figure 3.3.1. Waste Disposal in Brazil	77
Figure 3.3.2. Investments in Sanitary Service	78
Figure 3.3.3. The matrix of Waste Destination	79
Figure 3.3.4. Record of Brazilian recycling rates	80

Figure 3.3.5. Cities recycling	.80
Figure 3.3.6. Disposable fraction for Paper and Cardboard	. 82
Figure 3.3.7. Disposable fraction for Glass	. 82
Figure 3.3.8. Disposable fraction for Plastic	. 83
Figure 3.3.9. Apparent Consumption and Market Share	. 83
Figure 3.3.10. Challenged recycling rates for recyclables	. 84
Figure 3.3.11. Comparison of current versus challenged recycling rates	.85
Figure 3.3.12. Plastic: Types and Recycling	.86
Figure A 1. MSW disposal's map at MRSP adapted from JACOBI (JACOBI and BESEN,	
2011) – color	.96
Figure A 2. Recyclables collection's map at MRSP adapted from JACOBI (JACOBI and	
BESEN, 2011) - color	.96
Figure C 1. Distribution of MSW at MRSP in 2013	.99

### Lista de Tabelas

Table 1.1.2. Solid Residues classification based on their physical characteristicsTable 1.1.3. Categories and examples of the urban solid residuesTable 2.1.1. Standards for Systems of Residues' Thermal TreatmentTable 2.1.1.1. Estimate mass balanceTable 2.1.2.1. Prices and fees for sales revenues in 2013Table 2.1.2.2. Configurations and specs for WtE unitsTable 2.1.2.3. Proposed distributions of MBT+WtE facilities at MRSP in 2013Table 2.1.3.1. The breakdown of operational costsTable 2.1.4.1. References to calculate 10,000 scenarios of decisionTable 2.2.2.1. Energy consumption and GHG emissions in 2013	29 40 41 42 43 43 45 46
Table 2.1.1. Standards for Systems of Residues' Thermal TreatmentTable 2.1.1.1. Estimate mass balanceTable 2.1.2.1. Prices and fees for sales revenues in 2013.Table 2.1.2.2. Configurations and specs for WtE unitsTable 2.1.2.3. Proposed distributions of MBT+WtE facilities at MRSP in 2013Table 2.1.3.1. The breakdown of operational costsTable 2.1.4.1. References to calculate 10,000 scenarios of decision	40 41 42 43 43 45 46
Table 2.1.1.1. Estimate mass balanceTable 2.1.2.1. Prices and fees for sales revenues in 2013.Table 2.1.2.2. Configurations and specs for WtE unitsTable 2.1.2.3. Proposed distributions of MBT+WtE facilities at MRSP in 2013Table 2.1.3.1. The breakdown of operational costsTable 2.1.4.1. References to calculate 10,000 scenarios of decision.	41 42 43 43 45 46
Table 2.1.2.1. Prices and fees for sales revenues in 2013Table 2.1.2.2. Configurations and specs for WtE unitsTable 2.1.2.3. Proposed distributions of MBT+WtE facilities at MRSP in 2013Table 2.1.3.1. The breakdown of operational costsTable 2.1.4.1. References to calculate 10,000 scenarios of decision	42 43 43 45 46
Table 2.1.2.2. Configurations and specs for WtE unitsTable 2.1.2.3. Proposed distributions of MBT+WtE facilities at MRSP in 2013Table 2.1.3.1. The breakdown of operational costsTable 2.1.4.1. References to calculate 10,000 scenarios of decision	43 43 45 46
Table 2.1.2.3. Proposed distributions of MBT+WtE facilities at MRSP in 2013Table 2.1.3.1. The breakdown of operational costsTable 2.1.4.1. References to calculate 10,000 scenarios of decision	43 45 46
Table 2.1.3.1. The breakdown of operational costsTable 2.1.4.1. References to calculate 10,000 scenarios of decision	45 46
Table 2.1.4.1. References to calculate 10,000 scenarios of decision	46
Table 2.2.2.1 Energy consumption and GHG emissions in 2013	49
Table 2.2.2.1. Energy consumption and GTIO emissions in 2013	
Table 3.1.1. Comparison of equity versus funding (20 year's cash flow)	69
Table B 1. Gravimetric composition to the MSW at MRSP	97
Table B 2. Potential sorting of the MSW at MRSP	97
Table B 3. Lower calorific values for wet components in the MSW	97
Table B 4. The energetic potential for the RDF	98
Table D 1. The breakdown of monthly expenses with HR	100
Table E 1. Lower calorific values for components in wet MSW	101
Table E 2. The energetic potential for the fraction destined to the heat treatment	101
Table E 3. Techno-Economic Factors to use recyclables (based on 2009's prices)	. 101
Table F 1. Direct and Indirect effects	102
Table G 1. Gross Domestic Product (GDP)	. 103
Table H 1. Production Value (X)	104
Table I 1. Number of Jobs	105
Table J 1. Energy Consumption	106
Table K 1. Greenhouse Gas (GHG)	107

# Lista de Abreviaturas e Siglas

3Rs	– Reduce, Reuse and Recycle
ABAL	– Associação Brasileira do Alumínio
ABIQUIM	– Associação Brasileira da Indústria Química
ABIVIDRO	<ul> <li>Associação Técnica Brasileira das Insdústrias Automáticas de Vidro</li> </ul>
ABNT	<ul> <li>Associação Brasileira de Normas Técnicas</li> </ul>
ABRE	– Associação Brasileira de Embalagem
ABRELPE	- Associação Brasileira de Empresas de Limpeza Pública e Resíduos Especiais
ABTCP	<ul> <li>Associação Brasileira Técnica de Celulose e Papel</li> </ul>
AC	– Consumo Aparente
ANEEL	– Agência Nacional de Energia Elétrica
ANIP	<ul> <li>Associação Nacional da Indústria de Pneumáticos</li> </ul>
ANVISA	<ul> <li>Agência Nacional de Vigilância Sanitária</li> </ul>
BACEN	– Banco Central do Brasil
BEN	– Balanço Energético Nacional
BNDES	<ul> <li>Banco Nacional de Desenvolvimento Econômico e Social</li> </ul>
CAPES	- Coordenação de Aperfeiçoamento de Pessoal de Nível Superior
CCEE	<ul> <li>Câmara de Comercialização de Energia Elétrica</li> </ul>
CEMPRE	<ul> <li>Compromisso Empresarial para Reciclagem</li> </ul>
CETESB	<ul> <li>Companhia Ambiental do Estado de São Paulo</li> </ul>
CH4	– Gás Metano
CLT	– Consolidação das Leis de Trabalho
CMU	- Carnegie Mellon University
CNIM	<ul> <li>Constructions industrielles de la Méditerranée</li> </ul>
CO <sub>2</sub>	– Gás Carbônico
CONAMA	<ul> <li>Conselho Nacional de Meio Ambiente</li> </ul>
<b>COP 21</b>	- 21st Conference of the Parties to the UN Climate Change Conference
EEA	– European Environmental Agency
EPA	- Environmental Protection Agency
EPE	<ul> <li>Empresa de Pesquisa Energética</li> </ul>
EU 28	- 28 countries of the European Union
FEAM	- Fundação Estadual do Meio Ambiente de Minas Gerais
GDP	– Gross Domestic Product

GHG	– Greenhouse Gas
HR	– Human Resources
IBAMA	<ul> <li>Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis</li> </ul>
IBGE	– Instituto Brasileiro de Geografia e Estatística
IEEP	– Institute for European Environmental Policy
IMWM	<ul> <li>Integrated Municipal Waste Management</li> </ul>
I-0	– Input-Output
IPEA	– Instituto de Pesquisa Econômica Aplicada
IPCA	<ul> <li>Índice Nacional de Preços ao Consumidor Amplo</li> </ul>
IRR	– Internal Rate of Return
LCV	– Lower Calorific Value
MBT	– Mechanical-Biological Treatment
MBT+WtE	– Mechanical-Biological Treatment with Waste-to-Energy
MCTI	– Ministério de Ciência, Tecnologia e Inovação
MEC	– Ministério da Educação
MME	– Ministério de Minas e Energia
MRSP	– Metropolitan Region of São Paulo
MSW	– Municipal Solid Waste
MSWM	<ul> <li>Municipal Solid Waste Management</li> </ul>
MW	– Megawatt
NBR	– Norma Brasileira
NOI	- Net Operating Income
NPV	– Net Present Value
O&M	- Operations and Maintenance
OECD	- Organization for Economic Co-operation and Development
PE	– Polietileno
PET	– Polietileno Tereftalato
PIB	– Produto Interno Bruto
PNRS	<ul> <li>Plano Nacional de Resíduos Sólidos</li> </ul>
PNSB	<ul> <li>Pesquisa Nacional de Saneamento Básico</li> </ul>
РР	– Polipropileno
PPA	– Pollution and Prevention Act
PS	– Poliestireno

PVC	– Policloreto de Polivinila
RCRA	- Resource, Conservation and Recovery Act
RDF	– Refuse-Derived Fuel
RMSP	– Região Metropolitana de São Paulo
ROE	– Return on Equity
ROI	– Return on Investment
SEEG	<ul> <li>Sistema de Estimativas de Emissões e Remoções de Gases de Efeito Estufa</li> </ul>
SEMASA	<ul> <li>Serviço Municipal de Saneamento Ambiental de Santo André</li> </ul>
TLP	– Taxa de Juros de Longo Prazo
TWh	– Terawatt-hora
UK	– United Kingdom
UNICAMP	– Universidade Estadual de Campinas
WACC	- Weighted Average Cost of Capital
WIO	– Waste Input-Output
WSUT	– Waste Supply-Use Tables
WtE	– Waste-to-Energy

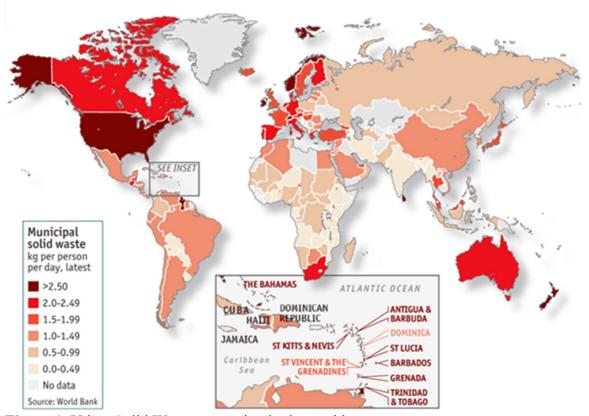
### Contents

IN	<b>FRODU</b>	CTION	19
		1. CONCEPTS, NATIONAL POLICY, METROPOLITAN REGION OF	
SÃ	O PAUL	O AND LITERATURE REVIEW	27
1.1	Imp	ORTANT CONCEPTS ABOUT RESIDUES	27
1.2	CUI	RRENT NATIONAL POLICY FOR URBAN WASTE	30
1.3	WA	STE AT METROPOLITAN REGION OF SÃO PAULO	34
1.4	Lit	ERATURE REVIEW	36
СН	APTER	2. METHODOLOGY AND CONSIDERATIONS	39
2.1	Pro	DPOSED BUSINESS MODEL	39
	2.1.1	WASTE GRAVIMETRY, PROCESSES, AND PRODUCTS	41
	2.1.2	POTENTIAL REVENUES, ASSETS AND INVESTMENT	42
	2.1.3	FIXED, VARIABLE EXPENSES AND CAPITAL COST	44
	2.1.4	FINANCIAL ANALYSIS AND LEVEL OF CONFIDENCE FOR RISK	46
2.2	INP	UT-OUTPUT MODELING	47
	2.2.1	WASTE, POTENTIAL VALUE-ADDED AND OPERATIONAL ASSUMPTIONS	48
	2.2.2	INVENTORY OF ENERGY CONSUMPTION AND GHG EMISSIONS	49
	2.2.3	PROPOSED I-O MODEL – A DIDACTIC APPROACH	50
	2.2.4	TECHNICAL AND ECONOMIC FACTS ABOUT USING RECYCLABLES	60
2.3	Kic	KING OFF A CHALLENGE TO THE CURRENT NATIONAL POLICY FOR SOLID WASTE	62
CH	APTER	3. RESULTS AND DISCUSSIONS	64
3.1	Eco	DNOMIC VIABILITY ANALYSIS	64
3.2	INT	ERREGIONAL INPUT-OUTPUT SIMULATION	70
	3.2.1	SOCIOECONOMIC IMPACTS	71
	3.2.2	IMPACTS ON ENERGY CONSUMPTION AND GHG EMISSIONS	74
3.3	Pui	BLIC POLICY IMPROVEMENT	76
CH	APTER	4. CONCLUSIONS	86
BH	BLIOGR	APHIC REFERENCES	89
AP	PENDIX	A. Current MSW organization at MRSP	96
AP	PENDIX	<b>B.</b> MSW's gravimetric composition at MRSP	97
AP	PENDIX	C. Proposed locations for MBT+WtE units at MRSP	99
AP	PENDIX	<b>D.</b> Human resources' expenses	100
AP	PENDIX	<b>E.</b> Energy Content, Recyclability, and Market of the Waste	101
AP	PENDIX	F. Regional Direct and Indirect Effects	102
AP	PENDIX	G. Impacts over GDP	103

APPENDIX H. Impacts over Production Value	104
APPENDIX I. Impacts over Number of Jobs	105
APPENDIX J. Impacts over Energy Consumption	106
APPENDIX K. Impacts over GHG Emissions	107

### **INTRODUCTION**

By the second report of The World Bank of 2012, the "What a Waste: A Global Review of Solid Waste Management" which has a vast amount of data about production and solid residues management, the world produces annually 1.3 billion metric tons of waste. That means 1.2 kg (or 2.7 lb) per habitant-day in locations with collection and waste disposal. About half of that comes from countries which belong to the Organization for Economic Co-operation and Development (OECD), composed of 34 nations. Outlooks are showing this scenario will increase to 2.2 billion metric tons by 2025 where China will lead a ranking of waste production with 63%, due to its production rise from 520 million to 1.4 billion metric tons. Currently, this ranking has the USA in the top with more than average 2.5 kg (or 5.5 lb) of waste produced by each person per day, as shown in **Figure 1**. Norway almost reaches this level through its citizens' commitment. Italy is producing 89,000 metric tons daily, in average 2.2 kg (or 4.9 lb) per capita considering a population of 40 million people and should have a reduction by 2.8% in 2025 due to the recent period of unprecedented economic crisis (HOORNWEG and BHADA-TATA, 2012).

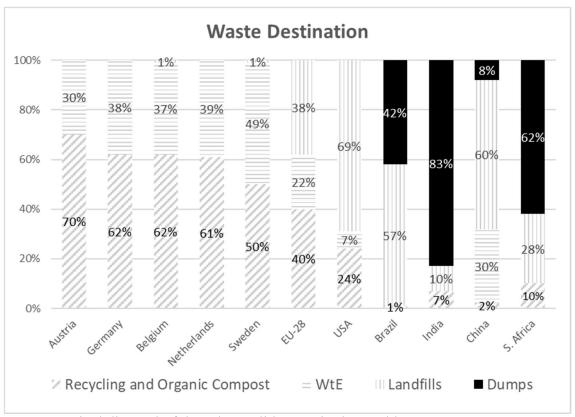


**Figure 1.** Urban Solid Waste generation in the world **Source:** The World Bank (HOORNWEG and BHADA-TATA, 2012)

Important to remember that plenty of countries still not have a well-elaborated data control system and defined public policies, not mention a lack and incomplete statistics. Even so, if considered 1 kg (2.2 lb) produced by each person on average, there will be more than 7 million metric tons of waste daily to be managed in this planet by 2025.

Many countries have considered impact analysis and environmental cost-benefit models to check the economic viability in their studies for development, and this procedure has supported new guidelines, regulations, and laws to their public policies and governmental projects. A new vision of natural resources management has come, and this allows new levels of effectiveness and efficiency to be reached in all economic activities, respecting environmental diversity and stability. An example is the Empresa de Pesquisas Energéticas (EPE), a company under Brazil's Ministry of Mines and Energy (MME) in charge of several different scenarios (EPE; MME, 2018).

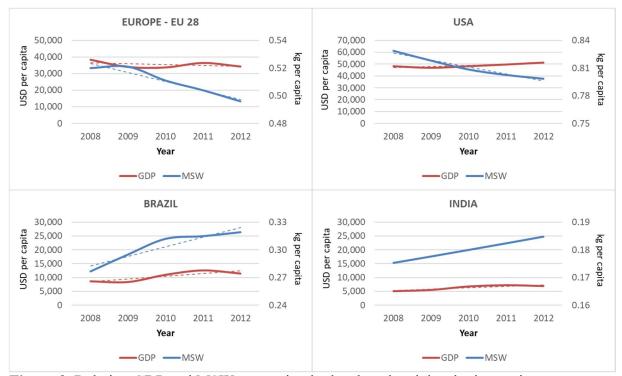
**Figure 2** presents a panorama of how some countries around the world dispose of their urban solid wastes. A superficial analysis of this data takes us to the public policies applied to the sector in each nation, and to the straight direct relation between economic development and practices of waste recovery, such as landfilling, recycling, organic composting and high-temperature burning with energy recovery (or Waste-to-Energy).



**Figure 2.** Final disposal of the urban solid waste in the world **Source:** The World Bank (HOORNWEG and BHADA-TATA, 2012)

Brazil and most developing countries, where the land is the predominant way to treat their wastes, not only environmental issues have been difficult to solve due to poor solid waste management. Vectors of disease transmission are proliferating, and greenhouse gases releases have gotten worse the global warming effects when most of the waste, especially the organic fraction, has been disposed in landfills, or most of the worst cases, under dumps conditions (HAKAMI, 2016).

Level of developing and waste generation seems to have a very close relation. As shown in **Figure 3**, developing countries like Brazil and India present an increase in their waste production when their gross domestic product (GDP) not even have a significant growth to stimulate consumption.



**Figure 3.** Relation GDP and MSW generation in developed and developing regions Adapted from: The World Bank (HOORNWEG and BHADA-TATA, 2012) and IBGE (IBGE, 2013)

On the other hand, countries or developed continents, such as the USA and Europe, have shown a decrease in a waste generation when their GDP remains practically flat. The World Bank's reports explain that based on public policies for responsible consumption and disposal adopted by these regions. By the way, in developing countries, where public policies seem to be poor or not even exist, Governments are promoting the politics of income distribution trying to reduce social differences. These popular politics without well-established waste management encourage consumption and disposal, also when the economy appears to be flat (HOORNWEG and BHADA-TATA, 2012).

As shown in **Figure 4**, from 2003 to 2016, the amount of urban waste shows a better correlation with GDP, despite periods delay. In this interval of time, the Brazilian MSW raised 26.4% while its GDP incremented in 33.6%.

In the last six years was noticed by ABRELPE (ABRELPE, 2016) and IBGE (IBGE, 2013) the amount of MSW generated in Brazil increased 16.4%, what it is pretty higher than population (+7.4%) and GDP (+9.6%) growth.

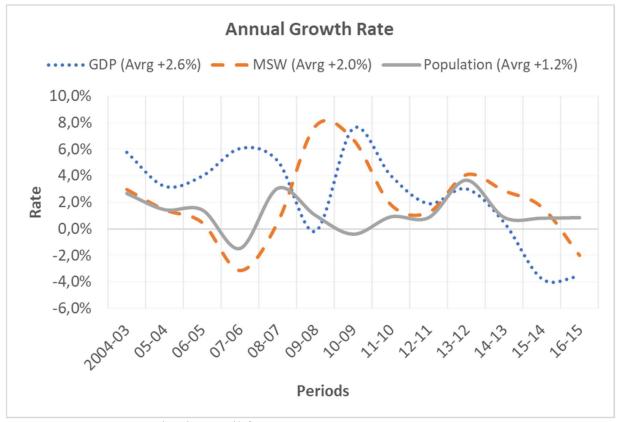


Figure 4. MSW generation in Brazil from 2003 to 2016 Source: ABRELPE (ABRELPE, 2016) and IBGE (IBGE, 2013)

The low effectiveness of the Brazilian Municipal Solid Waste Management (MSWM) is evident if compared to developed countries' ones. In the Netherlands, where 39% of its waste has mechanical recycling, 7% is biologically treated to get organic fertilizer, 42% is thermally treated to recover energy, and only 12% reaches the landfills (HOORNWEG and BHADA-TATA, 2012).

By the Brazilian Institute of Geography and Statistics (IBGE) and its National Research of Basic Sanitation (PNSB), 99.96% of the cities have waste collection service, but 50.75%

reaches the dumps<sup>1</sup>, 22.54% the controlled landfills<sup>2</sup> and 27.68% the landfills<sup>3</sup> (IBGE, 2013). These same data reports that only 3.79% of the cities have units to treat organics, 11.56% have a recyclables collection and mechanical treatment, and 0.61% have landfill gas recovery. In this last case, considering the energy recovery through landfills gas, Brazil has 13 biogas plants which are burning gas produced by landfills or anaerobic reactors and adding 70MW of electricity, or 0.06%, to the national energy matrix (ANEEL, 2011; SANTOS et al., 2016).

The practice of disposing of waste in non-recommended areas, or dumps, causes severe and damaging consequences to the public health and environment, and contribute to the degraded socioeconomic picture. Too many families are surviving in subhuman conditions through what they pick from dumps, like the rest of foods and recyclables sold, as shown in **Figure 5**. By IPEA, there are more than 400 thousand solid residues collectors "working" in Brazilian dumps. If considering all family members, this number rises to more than 1.4 million people surviving through to the urban waste. Despite this degraded condition of work, where people are facing imminent risk to their health and security, almost 50% of these people, "working" in 5,570 Brazilian cities, can get up to 1 minimum wage per month selling what they get from the waste (IPEA, 2012).

Taking as reference Switzerland withing its 41.3 thousand km<sup>2</sup> (or 159.5 thousand mi<sup>2</sup>) and, approximately, 8 million people, where the high demographic density (194 people per km<sup>2</sup> or 50 people per mi<sup>2</sup>) justifies to intensify recycling and the Waste-to-Energy practice. Then, it is essential to ask: Why is there not a similar practice in the Metropolitan Region of São Paulo (MRSP), where the demographic density is 2,447 people per km<sup>2</sup> (or 630 people per mi<sup>2</sup>), considering its total area of 8.5 thousand km<sup>2</sup> (or 32.8 thousand mi<sup>2</sup>) and a population of 20.8 million people? In this area, the MRSP produces daily 0.8 kg (or 1.8 lb) per capita, or another perspective, 1,958 kg of residues per km<sup>2</sup> (or 11,180 lb of residues per mi<sup>2</sup>), which

<sup>&</sup>lt;sup>1</sup> **Dumps** are open-air deposits of urban waste, well-known in Brazil as "vazadouros", "lixeiras", or "lixões". They are areas where urban waste is disposed without any land protection to avoid ground and water contamination. In these systems there's no treatment for liquid effluents – slurry (or "chorume" in Brazil) is the liquid produced from the organic waste under decomposition. As a consequence, this liquid penetrates in to the

land taking contaminants to the ground and water sources.

<sup>&</sup>lt;sup>2</sup> **Controlled landfills** mean an intermediate category between dumps and landfills. Normally they're a cell near a dump, an attempted to improve it using a green coverage (e.g. grass) and clay to avoid ground contamination and support any movement.

<sup>&</sup>lt;sup>3</sup> Landfills are considered adequate to dispose urban solid waste using the land. Their main characteristic is the procedure of using mats of plastic to prevent of slurry contamination. Drains and flares are built to take the slurry to treatment's reservoirs, and to release gases that can be simply burnt and/or piped to energy plants.

means 2.5 kg (or 5.5 lb) per capita-day in this country by The World Bank (BESEN et al., 2014; HOORNWEG and BHADA-TATA, 2012).



Figure 5. People collecting recyclables and rest of food in Brazilian dumps

The current institutional scenario is pretty adverse, even launching the National Solid Waste Policy (PNRS) through the Law No.12.305 in 2010, due to slowness actions and political negligence with environmental issues and too much pressure from industry segments who try to avoid the polluter-pays principle and its implications (BRASIL, 2011). Most municipalities do not have technical and financial resources to solve problems related to solid residues management yet. Planning and costs are the most significant problems which inhibit recycling's growth and expansion (CEMPRE, 2013). There are low penetration and incentives for other technologies to treat the rest of the waste except mechanical recycling or biological treatment. The main reasons are few (or none) lines of funding to invest in sanitary services, a poor public policy not mentioning alternatives to the landfills and not challenging levels of recycling, and decision-makers with a low level of information about new technologies, but full of ideologism (ROSA and TOMALSQUIM, 2003). An example comes from the Waste-to-Energy technology which faces resistance from environmental entities still trying to compare it with incineration (low temperature, low time of residence of gases without filters and dioxins emissions), and recycling cooperatives are refusing it with the argument of destroying social value when burning recyclables (AIDIS, 2006).

Giving this chaotic scenario of accelerated generation of MSW and a lack of practical actions to manage the problem, this thesis comes to:

#### A. MAIN OBJECTIVE:

- *i.* Show the Economic Viability of a Large-Scale Integrated Model of MSW Treatment at the Metropolitan Region of São Paulo based on existing waste recovery technologies; and
- *ii.* Present its Socioeconomic, Energetic and Carbon Impacts if treating all its municipal solid waste.

#### **B. SECONDARY OBJECTIVE:**

*i.* Propose a Methodology to Calculate a Minimum Recycling Rate for Disposals which could be useful to the National Solid Waste Policy (PNRS).

All the model has analyzed considering almost 20-year market records feeding economic and risk calculations, and most recent waste characterization data for the waste in the MRSP has been used to check the regional and interregional impacts through an Input-Output (I-O) modeling.

Addressed within all the issues as detailed as possible, the thesis begins with **CHAPTER 1**. Here, essential concepts about waste are shown based on standards and best practices known. The current PNRS is detailed and followed by the situation of the MRSP with a literature review to explain what's going on regarding urban waste treatment integrated large-scale initiatives in Brazil and the world.

**CHAPTER 2** brings used methodologies and their hypothesis for the economic viability analysis and its risk, the I-O interregional modeling impacting the economy with recyclables, energy, and carbon associated to the production, and a benchmarking case to challenge the current PNRS.

Results and discussions are in **CHAPTER 3**, where sources of revenues, expenses and value generation are calculated based on the past ten years of records to offer a robust risk analysis. Through the I-O modeling are shown regional and interregional impacts on GDP, production value, number of jobs, energy consumption and carbon emissions, if the economy receives recyclables, organic fertilizer and energy from this proposed model of municipal waste treatment in the MRSP. In this chapter, it is possible to verify the importance of recycling to reduce energy demand with a source of electricity alternative to the dispatch of fuel oil-based one with less carbon release. Additionally, this chapter presents what would be minimum rates

of recycling for disposables, such as plastic, glass, and paper, mobilizing the Brazilian society to achieve these results.

Finally, **CHAPTER 4** presents conclusions addressing to answer if it is economically viable to build a large-scale model of urban waste treatment at MRSP and what would be its impacts to the economy of the own region and the rest of Brazil. Challenging the current public policy, would it be an encouraging a way to improve the municipal solid waste management in Brazil substantially?

As future research, the author proposes a similar study to understand what would be the national public budget, socioeconomic, energy and carbon emissions impacts if considered all ten most significant metropolitan regions where are living more than 25% of the citizens producing almost 60% of all Brazilian urban waste. Another critical challenge would be a proposal to create a mechanism to stimulate a minimum rate of organic composting, once organics are almost 60% of the total amount of waste produced in Brazil.

# CHAPTER 1. CONCEPTS, NATIONAL POLICY, METROPOLITAN REGION OF SÃO PAULO AND LITERATURE REVIEW

In this chapter are presented terms, concepts and the state-of-art for the MSWM in Brazil, detailing the current situation in its most important economic region. These contents are essential to delimit what kind of waste this thesis is studying and, understand the status of the national policy showing what's going on at MRSP, clearly indicates the importance of the theme.

Most important initiatives about MSWM were researched in the literature and listed to support the arguments throughout the text and to evidence the originality of the work for the MRSP.

#### **1.1 IMPORTANT CONCEPTS ABOUT RESIDUES**

Initially, it is essential to define the concept about solid residues, or semi-solid residues, like those which are the results of the community activities and their several sources, such as industrial, domestic, hospital, commercial, agriculture, services and urban sweeping. The sludge that comes from the water and sewage treatment facilities, particulates from air pollution control equipment and installations, or any solid, and even liquid, not allowed to dispose of into the public system complex, is under standard control. Everything that demands any kind of technical solution, economically viable or not, is solid residue according to ABNT NBR 10.004/2004 (ABNT, 2004).

The Urban Residues, or Municipal Residues, are generated in the urban areas, while the Special ones come from transformation processes (see **Table 1.1.1**). These last ones need special attention in collecting, packaging, transportation, manipulation, and disposal, due to their peculiar characteristics.

Table 1.1.1. Solid Residues classification according to their origins

CLASSIFICATION	ORIGIN
URBAN RESIDUES	Residences, commercial activities, city sweeping and landscape services (e.g., tree pruning and gardening).
SPECIAL RESIDUES	Transformation processes, such as industrial, agricultural, radioactive, health services and building.

Source: Brazilian standard NBR 10.004/2004 (ABNT, 2004)

Another classification of the residues is by their ecological, sanitary, economic and physical aspects (see **Table 1.1.2**).

Table 1.1.2. Solid Residues classification based on their physical characteristics	5
--	---

RESIDUES	DESCRIPTION
CLASS I (Hazardous materials)	Characteristics of toxicity, flammability, corrosivity, reactivity, radioactivity, and pathogenicity which may offer risk to the public health or adverse effects on the environment.
<b>CLASS II A</b> (Non-inert materials)	Materials who do not fit what is described by CLASS I (Hazardous materials) and CLASS II B (Inert materials). The residues belonging to this class can have these properties: biodegradability, combustibility or solubility in water.
<b>CLASS II B</b> (Inert materials)	Materials not soluble or those who do not have any soluble component within higher concentrations established by the standard (NBR 10.006 – Solubilization of Residues)

Source: Brazilian standard NBR 10.004/2004 (ABNT, 2004)

The characteristics of residues may vary, by ZANTA and FERREIRA, due to factors which make a distinction between communities, such as social, economic, cultural, geographic and climatic, besides biological and chemical aspects. It is essential to know and understand these characteristics to choose the most appropriate process and technique of waste disposal and treatment.

Other relevant data to take into account is the gravimetric composition. The waste management must attend what kind of materials is in the mass, as categorized in **Table 1.1.3**. It is a must to make specific the level of humidity, once organics are a wet phase and the other materials (i.e., plastic, glass, paper, and metal) are dry ones (ZANTA and FERREIRA, 2003).

CATEGORY	EXAMPLES
Organic material	Rest of food, flowers, grass and pruned trees.
Plastic	Sacks, bags, packages of milk, water, and other beverages, cleaning, cosmetics, food containers, sponges, Styrofoam, kitchen appliances, latex, raffia bags.
Paper e cardboard	Boxes, magazines, journals, cards, paper, plates, cups, books, notebooks, folders, napkins.
Glass	Cups, bottles, plates, mirrors, containers for cleaning, makeup, body care, and food.
Ferrous metal	Steel wool, pins, needles, container's foods.
Non-ferrous metal	Beverages' cans, electric wires (copper, aluminum).
Wood	Boxes, planks, sticks, matches, furniture, firewood.
Cloths, rags, leather, and rubber	Clothes, cleaning cloths, pieces of clothes, bags, back packages, shoes, carpets, gloves, belts, balloons.
Chemical contaminant	Batteries, medicines, lamps, insecticides, rat poisons, glues in general, cosmetics, pressurized containers, pens, carbon paper, photographic plastic film bases.
<b>Biological contaminant</b>	Toilet paper, cotton swab, cotton, bandages, cloths with blood, disposable diapers, sanitary napkins, syringes, shaving blades, hair, gloves.
Rock, soil, and ceramic	Vases of flowers, plates, rest of materials used in buildings, soil, bricks, rocks.
Others	Wax candles, rest of soap, charcoal, butts of the cigar, credit cards, stoppers, wax pencils, long-life packages, metal-covered packages, dust bags, clothes and grinding paper or discs, and materials hard to identify.

Table 1.1.3. Categories and examples of the urban solid residues

Source: (PESSIN and Al., 2006)

The MSW is a type of residue particularly challenging to manage due to its heterogeneous composition, varying too much and dependent on the region where it is. Amount and composition generally depend on the population habits, culture and, mainly, to its level of economic development, what all together bring a high level of complexity to solve the problem.

So, to get feasible solutions, it is more than necessary the knowledge of current technologies and their possible connections with the MSW composition (EDJABOU et al., 2015).

Waste content and level of economic development of the producer area are the main variables to be analyzed to propose economic viable, socially fair and politically acceptable solutions.

#### 1.2 CURRENT NATIONAL SOLID WASTE POLICY

The Law No.12.305/10 established in 2010 demands a set of rules to support the management of solid waste in Brazil. It presents a hierarchy of activities, such as Reverse Logistics, Recycling, and Final Waste Disposable. Also sets the figure of shared responsibility where residues producers (manufacturers, importers, distributors, traders, and consumers), sanitary services' entrepreneurs and government must work in consonance, in accordance with Federal Environment Ministry (BRASIL, 2011).

The first movement to guide residues management in Brazil was noticed in 1991 with the Law Project No.203 where packaging, collection, transport, and destination were discussed to cover the health sector.

In 1999 CONAMA's proposition No.209 was taken to the Congress of deputies. Technical directives to solid residues management were approved but not published.

Three years later, in 2001, deputies created and implemented a special commission to a national residues' policy. The idea was to adopt practices from the Law's Project No.203/91 and extend them to other sectors (ROLLEMBERG, 1991). However, this commission interrupted their jobs without concluding the objective at the end of legislation. In the same year, it was possible to watch the first social movement, with 3,000 participants, called the 1<sup>st</sup> Congress of Recyclables' Collectors. Specialists, members of Congress and mainly, homeless people, were addressing for waste as an alternative to income.

Later in 2003, the 1<sup>st</sup> Latin-American Congress of Collectors discussed professional training needs, dumps eradication and the responsibility of the residues producers. Due to this, it was created, by the Federal Government, the Interministerial Group of Environmental Sanitation which resulted in the Urban Solid Residues Program. In the same year, it was realized the 1<sup>st</sup> Conference of Environment in Brazil.

From 2004 to 2009, all initiatives were managed by Environment Ministry who involved other ministries, economy's sectors, associations and politics to get contributions to format a policy. During this period, it was seen the social aspect taking the place of the environmental one. As mentioned in the PNRS's final text: "Waste destination and treatment were not the final reason to establish a national policy but the way to create and distribute income to the poorest people working informally in the cooperatives of recyclables' collectors" (AMBIENTE, 2018).

Published and working from 2010, the PNRS presented some challenges and goals to achieve:

- Recyclables collection with organic composting in 100% of Brazilian cities
- Achieve a recycling rate of 20% by 2015
- Eradication of dumps by 2014
- Achieve 22% of recovering products (e.g., plastic vessels for chemicals, tires) through Reverse Logistics

Already used in 2003, the interministerial committee was restored in 2011 to monitor the evolution of the plan. This committee was responsible for establishing the policy in all national territory, and its tasks are:

- Review
- Monitor
- Encourage
- Discuss

This group and specialists, led by the Ministry of Environment, started to review the PNRS in Jan./2017 and planned to finish it in 20 months, or up to Sep./2018. Moreover, it seems to be an excellent opportunity to review it with updated aspects. Reverse logistics, such as new environmental legal requirements, social and corporate responsibilities, sustainability versus competitiveness, activities and their activities' sequences, all applied to post-consumption recycling must be taking into account as detailed in AGRAWAL's article (AGRAWAL et al., 2015).

Looking at waste management activities developed by the USA and Germany, as a European's representative, what calls most attention are how long they take and the strategies that have chosen.

In USA's case is found the creation of the RCRA (Resource Conservation and Recovery Act) in 1976 by the Congress (EPA, 1976). This act has been the most important movement to establish the mechanisms for waste destination and treatment. After that, US government

created the PPA (Pollution and Prevention Act) in 1990 who formally put EPA (Environmental Protection Agency) in charge of monitoring challenges and goals defined by this last act (EPA, 1990).

Germany started earlier and since the 1920s discussing waste as a source of raw materials and energy. It was the first country in the EU to introduce producer responsibility with a packaging waste regulation in 1991 (EU, 1991). According to this principle, which is a core tenet of German waste legislation, the producer of a product is generally responsible for the product when it becomes waste. Twenty European countries are using a landfill tax, but this does not include Germany. Germany has a very high level of recycling of MSW, and it is interesting that Germany has achieved this without using a landfill tax. The requirement of pretreatment of MSW before disposing of it in landfills combined with other management activities such as producer responsibility have been strong drivers in diverting MSW away from landfills and towards recycling.

Brazilian's waste management has a well succeed initiative of treating post-consumed residues where producers are responsible for their treatment, just as postulated by Germans. In case of tires, there is a resolution from CONAMA (National Council of Environment), a collegiate organism in the Ministry of Environment, No.258/99 which established the goal of 1 tire recycled per each one produced (CONAMA, 1999). In this act, producers are in charge of collecting and recycling, but users are responsible for leaving them in the collection points. Moreover, as Americans have done, the Brazilian Government has created a resolution to track and control these activities. Through CONAMA No.416/09 is possible to identify what is responsibility from local producers, importers and IBAMA (Institute of Environment and Renewable Natural Resources) has been designated to monitor the statistics and apply penalties when necessary, similar to what EPA has done in USA (CONAMA, 2009).

As a result of this measures, the level of recycling for tires in Brazil is not lower than 80%. Considering only local producers, this is pretty much higher than the initial target of 100% fixed to collection points in cities with more than 100,000 people. This amount would represent 29% of total municipalities, or 60% of cities with more than 20,000 citizens (almost 50% of Brazilian municipalities), as shown in **Figure 1.2.1** and **Figure 1.2.2**.

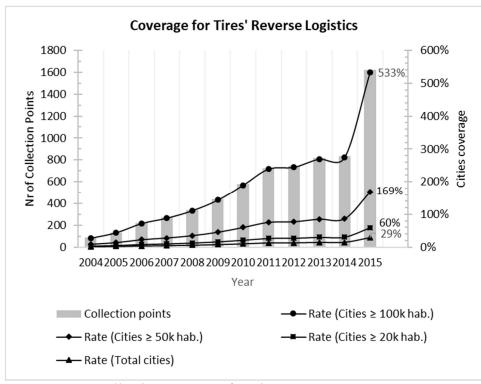


Figure 1.2.1. Collection coverage for Tires Source: Data compilation from ANIP (MARRONE and Al., 2015) and IBAMA (IBAMA, 2016)

Reacting to this remaining passive of 18% (see **Figure 1.2.2**), caused by importers who are not recycling as requested, one of the mechanisms used to force importers to recover is raising the import tax. Another one is to limit the number of the import quota.

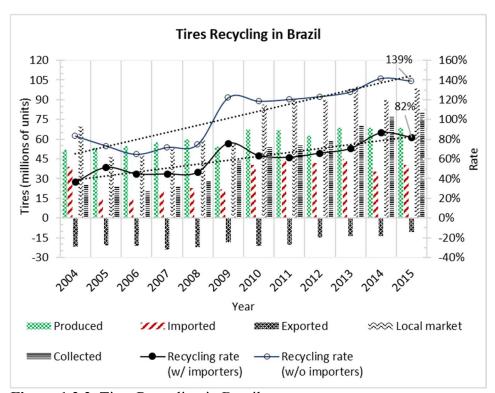


Figure 1.2.2. Tires Recycling in Brazil Source: Data compilation from ANIP (MARRONE and Al., 2015) and IBAMA (IBAMA, 2016)

However, what are producers doing to recycle as much as the law requires once recycling could represent value destruction in the production chain? The answer is in **Figure 1.2.3** below, where the tire's cycle of production and destination's breakdown is shown in image and numbers, respectively.

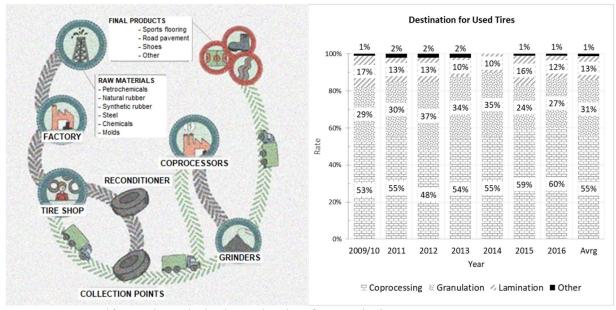


Figure 1.2.3. Life Cycle and Final Destination for Used Tires Source: Data compilation from ANIP (MARRONE and Al., 2015) and IBAMA (IBAMA, 2016)

In summary, producers quickly have transformed expenses in revenues when developing applications and markets for products from discarded tires. Almost 60% is now used by the cement industry, reducing fossil fuel demand. Nearly 27% is granulated to use in the pavement (concrete or asphalt), 12% used to produce rubber mats and 1% used in the shale industry, pyrolysis and other more. However, never being used to compete with new tires.

Another recognized initiative done by the government was the normative CONAMA No.452/12 which prohibits used tires imports whatever the application (CONAMA, 2012).

### 1.3 WASTE AT METROPOLITAN REGION OF SÃO PAULO

The Metropolitan Region of São Paulo (MRSP) is the biggest wealth generation center in Brazil. This macro-region holds a large part of the national private capital with the most important industrial complexes, commercial and financial headquarters installed and responsible for the Brazilian economic activity. It represents 56% of São Paulo state's GDP and 20% of Brazil's one. Its GDP per capita is 1.7 times bigger than country's one, by the Brazilian

Institute of Geography and Statistics (IBGE) and São Paulo State Foundation for Statistics (SEADE) (IBGE, 2013; SEADE, 2011).

Directly associated with value and income generation, the amount of Municipal Solid Waste (MSW) is equally high in this Brazilian region. The MRSP has São Paulo city, the capital of São Paulo state, with 11 million people, considered the largest of Brazil and one of the largest worldwide urban agglomerations. With 39 cities, this region produces 21.4 thousand metric tons per day or annually 7.7 million metric tons of MSW in 2013. This amount corresponds to 10% of all Brazilian's MSW, and only São Paulo city contributes 62.5% at MRSP (ABRELPE, 2014; IBGE, 2013).

The absence of an Integrated Municipal Waste Management (IMWM) is one of the factors responsible for hindering the coordination of an integrated action between municipalities, and that is why environmental and financial costs are too high in this region. As for the household garbage collection in the urban area, only five municipalities have less than 90% coverage in the MRSP. On disposal, approximately half of the total cities have their wastes in landfills, and the other half in controlled landfills (**Figure A 1**), what partially attends the Brazilian PNRS (National Policy for Solid Waste) (BRASIL, 2011; FUNASA, 2010).

In the MRSP, as well as in the city of São Paulo, the average urban waste generation per capita is about 1 kg per day. The significant difference between MRSP and other Brazilian macro-regions, concerning waste disposal, is the dumps' eradication as requested by the PNRS. The number of municipalities who disposal their wastes in landfills out their limits increased from 23 in 2005 to 32 in 2009 (JACOBI and BESEN, 2011).

In 2010, 29 cities from MRSP (74.4%) had a recyclables collection, but only seven of them had 100% urban area coverage. In 28 of them, recyclables' collectors worked organized in cooperatives subsidized by the governments. With 2,206 collectors, this recyclables collection covered 28 municipalities with 1,045 people in São Paulo city and 1,161 ones shared with the other 27 cities (**Figure A 2**). However, these cooperatives have shown low efficiency, because 70 to 80% of all recyclables collected are still coming from the informal collectors working under precarious conditions in the streets of the cities (BESEN et al., 2014; JACOBI and BESEN, 2011).

In a financial point of view, São Paulo's recyclables collection has cost R\$ 192 (or USD 79) per metric ton, or the equivalent to R\$ 8.3 million (or USD 3.4 million) per year. This cost represented a little bit more than 1% expended in 2013 (R\$ 725 million or USD 298 million) to

collect, transport and dispose of MSW in landfills and dumps, but it was twice higher than the conventional process (CEMPRE, 2013).

Most recent information from São Paulo's Municipal Secretary of Services presents 31 collectors' cooperatives working in the city with 3.2 thousand collectors, and despite having 10% as an agreed target to the recycling, no more than 4% of the MSW is recovered (CEMPRE, 2013; JACOBI and BESEN, 2011). Other important information comes from the infrastructure available to the recyclables collection. Only 7% of the waste collection fleet, working under contract in São Paulo, is available to support the recyclables collection. This inefficient recyclables' collection and its low coverage in São Paulo causes economic losses estimated at R\$ 749 million (or USD 308 million) per year. More than 1 million ton of paper, plastic, metal, and glass are discarded and transported to landfills, instead of sorted and sold to return to the production chains (BIZZOTTO, 2010).

Less waste recovered means to reduce the landfills lifetime in the region with too many restrictions to build new ones. More than 50% of the MRSP is environmentally under protection due to water reservoirs. Programs for reducing the traffic and gas emissions in the transportation, high freight costs and disposal far from the point of waste generation are primary reasons that make tough to build new disposal areas (ZHANG et al., 2010).

#### **1.4 LITERATURE REVIEW**

This MRSP's scenario shown above is typical in the world. Authors, such as ZHANG and RUOFEI, report about sharp population growth in China and its residues' generation without appropriate treatment. The solution to the problem, as well as the majority articles found to developing countries, is to replicate well-succeed European cases, especially Danishes MSWM's models (RUOFEI and SIBEI, 2010; ZHANG et al., 2010). This task seems to be simple and trivial if it was not by the fact Denmark's GDP is three times bigger than MRSP's one, and five times higher than Brazilian's one. It is one of the six European nations, which has at least 90% of its MSW destined to save and generate energy through a recyclables collection to recycle metals, glass, paper and plastic, organic compost and incinerating waste to produce electricity and steam for heating. In these developed countries, there is an awareness culture of environmental impact mitigation based on conscious consumption through the 3Rs (Reduce,

Reuse and Recycle). There is a clear understanding, in all mentioned references, waste is a public health problem, and due to this, governments do not save investments to get solutions avoiding land-use, mainly because, in most of the cases, there is not its availability in Europe.

Most recent articles are coming with a new approach: procedures and technologies should complement each other to improve the sustainability on waste treatment, mainly when the focus is to reach economic viability and mitigation of environmental impacts. CIMPAN presents in his study that it is possible to get an expressive reduction of CO<sub>2</sub> emissions and high net profits, in comparison with landfills, when applying the WtE after the MBT one. The explanation comes from an improved Refuse-Derived Fuel (RDF) with a higher Lower Calorific Value (LCV). Due to only "clean" recyclables (metal, plastic, paper, and glass) and all wet portion (organics) are sorted, what remains is a mass with enough "dirty" plastic and paper which are not feasible to be cleaned and commercialized (CIMPAN and WENZEL, 2013).

HAM also suggests a combination of technologies in his Korean article for sustainable solid waste management. The author calls attention to the efficiency improvement when associating techniques and, emphasizes that less amount of waste to be burn reduce WtE facility's scale, what is extremely important to let the business model less capital intensive and more viable (HAM and LEE, 2017).

WHEELER, from the Waste Management Magazine and KHALID, have written scientific texts where both reinforced the importance of the technologies' complementarity and called attention to the potential of energy generation if considered anaerobic digestion in the MBT (KHALID et al., 2011; WHEELER, 2006). The author WHEELER has estimated up to 15% of the UK's energy demand could be supplied by its biological anaerobic digestion. The same magazine published in 2013 a text informing a proposed £ 240 million small-scale waste facility is featuring MBT+WtE with 245 thousand metric tons per year (or about 0.5% of the annual production of waste) and 14 MW of capacity (WEKA, 2013). By the same authors, the urban waste anaerobic bio-digestion is not very common on the industrial scale except when considering wastewater treatment. That is because the MSW presents low-efficiency anaerobic digestion and business economic viability when compared with bio-digestion of sewage sludge, agriculture, and livestock residues. The heterogeneous composition of the urban organic waste and the presence of stabilizers and acidulants retard the anaerobic bio-digestion in the reactors. So, the best way to get methane from MSW anaerobic digestion is still in landfills where waste amount, degradation and pressure build-up are the matters of space and time.

Pioneer simulating environmental impacts through input-output (I-O) models, LEONTIEF has inspired too many scientific works on waste management (LEONTIEF, 1986). NAKAMURA and KONDO have estimated a waste input-output (WIO) table for Japan and applied it to evaluating the effects of alternative waste management. They have found that concentrating treatment in a small number of large incinerators, combined with an increased degree of sorting, could decrease both landfill usage and CO<sub>2</sub> emissions (NAKAMURA and KONDO, 2002). LENZEN and REYNOLDS extended WIO, incorporating a supply-use routine, resulting in waste supply-use tables (WSUTs) in 2014. They presented the theoretical underpinnings of the WSUT calculus using economic and waste data for the Australian economy in 2008–2009 (LENZEN and REYNOLDS, 2014).

Some Brazilian works and authors do not present an integration of existing technologies for MSW treatment in the light of sustainability. SANTOS (SANTOS, 2011) discusses landfills and incinerators, LIMA (LIMA, 2012), describes technological alternatives to several regions in the country, and even VIEIRA (VIEIRA, 2011) writes about electricity considering all the urban waste, but neglecting mechanical recycling and composting. PIMENTEIRA shows preliminary analyzes taking into account socioeconomic aspects of Rio de Janeiro's MSWM. In his dissertation, an I-O model was used to verify the impacts and effects of recyclable materials in the economy (PIMENTEIRA, 2002). After eight years, the same author presented his doctoral thesis, complementing the dissertation with the I-O model analyzing the impact of MSWM policy at Rio de Janeiro's government and its economy (PIMENTEIRA, 2010). However, in both studies, the author has not considered building an integrated plant to treat 100% of the RSU and neither its economic viability. He has considered integrating current initiatives as a way to get financial and social benefits to the economy of Rio de Janeiro and, pointed out high costs to the society if proposed another mechanism to treat MSW, such as WtE plants.

## **CHAPTER 2. METHODOLOGY AND CONSIDERATIONS**

## 2.1 PROPOSED BUSINESS MODEL

The proposed model is a Mechanical-Biological Treatment with Waste-to-Energy (MBT+WtE) facilities at MRSP. These facilities would supply the economy with the waste treatment service, recyclables (metal, plastic, glass, and paper), organic compost (bio-fertilizer) and electricity (xxx). The article is not considering the potential revenues from energy generation through anaerobic digestion and steam from the WtE facilities.

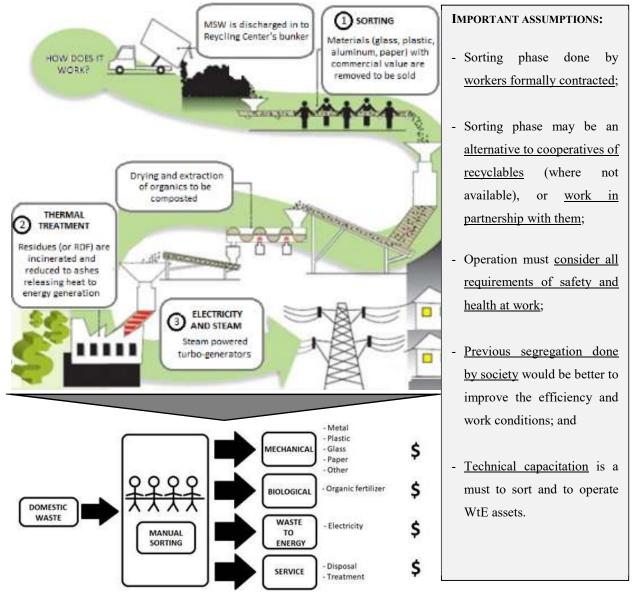


Figure 2.1.1. Integrated waste recovering plant, or MBT+WtE facility Source: Author's process flow drawing

The well-succeed practice of MSW treatment with energy generation in too many countries in Europe, especially in Germany, is in the state-of-the-art technology regarding controlled emission and land-use mitigation, as mentioned in last COP 21 (CHRISTENSEN et al., 2015). There, facilities receive materials from the recyclables collection and separate them to reintroduction in the market, reducing demand for more "virgin" materials and energy. Organics are aerated and well-drained to produce fertilizers because biogas through anaerobic digestion in reactors is not viable yet, as explained in Literature Review in section **1.4**.

The remaining waste, or RDF (Refuse-Derived Fuel), burns under high temperatures in closed systems where gases are washed, filtered and submitted to long periods of residence enough to break chemical components. Ashes are the particulate by-products obtained by the incineration. Both ashes and gases must attend legislation requirements described in **Table 2.1.1**.

RESTRICTIONS	CONAMA 316/2002 (mg/Nm <sup>3</sup> )	<b>US-EPA</b> (mg/Nm³)	EU-2000/76/EPC (mg/Nm <sup>3</sup> )
Particulate material	70	11	10
Cl <sub>2</sub>	n.d.	n.d.	10
HCI	80	29	10
HF	5	n.d.	1
SO <sub>2</sub>	280	63	50
NO <sub>x</sub>	560	264	200
CO (ppm)	100	45	50
Heavy Metals Class I (e.g. Cd)	0.28	n.d.	0.05
Heavy Metals Class II (e.g. Hg)	0.28	0.06	0.05
Heavy Metals Class III (e.g. Pb)	6.2	n.d.	n.d.
Dioxins and furans (ng/Nm <sup>3</sup> )	0.1 - 0.5	0.14	0.1

Table 2.1.1. Standards for Systems of Residues' Thermal Treatment

Source: Compilation from CONAMA (CONAMA, 2002), EPA (US EPA, 2016) and European Standard (EPC, 2000)

Brazil has local legislation that guides residues thermal treatment. The Resolution CONAMA No.316/2002, which defines procedures and criteria for treating them thermally, is too comprehensive as American and European legislation who allow WtE facilities to operate their countries (CONAMA, 2002). As seen in the table above, assumed a technology well-established in any mentioned regions, risks for health and environmental seem to be under control and attending the Brazilian resolution. However, due to security reasons, it should be considered technologies which can meet a more restrictive standard, such as the European one which is more rigorous with emissions and control procedures.

Initially, only depleted mines of minerals (e.g., coal) received ashes to fill them and reduce the environmental impact caused by the mining, but nowadays cement and pavements are receiving them, and other applications are under development (LYNN et al., 2016).

#### 2.1.1 WASTE GRAVIMETRY, PROCESSES, AND PRODUCTS

The gravimetric composition assumed to MRSP's MSW is the one used by Municipal Environmental Sanitation Service of Santo André, a social and economic of Santo André, a representative city from MRSP, described in SEMASA (SEMASA, 2008). Even being a data from 2008, it perfectly aligns with the Brazilian Institute for Applied Economic Research (IPEA) study performed four years later, where MRSP's waste composition is shown (IPEA, 2012).

**Table 2.1.1.1** summarizes and brakes-down the weight fractions of waste, the processes where it will be and what products and service will come from the MBT+WtE model.

IN	J					OUT
		PROCESS		PRODUCTS/SERVICE		
		Biological	43%	Organic	43%	Fertilizer
		Paper	8%			
		N A a a la a u i a a l		Plastic	8%	
		Mechanical (Recycling)	24%	Metal (i.e. aluminum)	1%	Recyclables
MSW	100%			Glass	1%	
1013 00	10070			Other (e.g., electronics)	6%	
				Dirty plastics	24%	
		WtE	33%	Cloths, dirty papers, city cleaning	9%	Electricity
						Treatment
TOTAL	100%		100%		100%	

<b>Fable 2.1.1.1</b>	Estimate mass	balance
----------------------	---------------	---------

Source: Compilation from Table B 1, Table B 2 e Table B 3

Fractions of the 21 thousand metric tons per day of waste treated in each process are in **Table B 1** and **Table B 2**. The information about mass amount fractioned in "wet" and "dry" portions are an idea of how much is possible to recover from a simple sorting. Without any additional process (washing and drying), recyclers would buy recyclables (metal, plastic, glass, and paper) compacted and in bales. Organics, the fraction extremely wet in the waste, would be

segregated to produce bio-fertilizer. Other waste contents also considered wet, but recognized as dirty (e.g., plastic bags, toilet paper, absorbents, diapers, and general disposables), would be separated to burn due to their high LCV but non-viability to clean and sell them.

Note the expressive waste recovery rate of 67% potentially achieved, considering organic composting and recycling. In a scenario of average waste composition with 61% of organics, MIEZAH estimates 76% of rate recovery in Ghana (MIEZAH et al., 2015). It would be a remarkable level in comparison with the 10% for recyclables sought by São Paulo, and not achieved by now, or with the insignificant 2% performed nowadays in Brazil, by ABRELPE (Brazilian Association of Waste Companies) (ABRELPE, 2014). Besides that, this rate would fit developed European countries, according to the European Environmental Agency's (EEA) data (EEA, 2014).

## 2.1.2 POTENTIAL REVENUES, ASSETS AND INVESTMENT

To the baseline year 2013, revenues from sales of products and service were calculated assuming market prices (**Table 2.1.2.1**), Lower Calorific Value (LCV) references (**Table B 3**), and the average LCV of the waste in the MRSP (**Table B 4**).

REVENUE	ORIGIN		2013's MAF	RKET PRIC	ES	REFERENCES
MSW disposal	Service	80		34		(ABRELPE, 2016) (CETESB, 2014)
	Metal (i.e. aluminum)	2,800	D <sup>¢</sup> nor	1,197		
	Glass	180	R\$ per metric ton	77	USD per metric ton	
Recyclables	Paper	510	metric ton	218	metric ton	(CEMPRE, 2013)
	Plastic	1,700		726		
	Fertilizer	125		53		
Energy	Energy Electricity		R\$ per MWh	84	USD per MWh	(ANEEL, 2013)

 Table 2.1.2.1. Prices and fees for sales revenues in 2013

Source: Author's elaboration based on market references

Mainly talking about WtE facilities, technical configuration no.3 (**Table 2.1.2.2**) and electricity fee were used to calculate their revenues. This assumption is reasonable due to the previous sorting of "wet" and "dry" fractions which improves the LCV to highest levels, as suggested by BOSMANS when discussing benefits of combining Waste-to-Products (WtP) and Waste-to-Energy (WtE) technologies (BOSMANS et al., 2013).

The economic analysis follows considering a WtE technology benchmark which has more than 150 years of experience in more than 15 countries and 2,800 employees. With 160 plants working all over the world and treating 24 million tons per year, this market reference presents a technology with the best relation between investment and RDF's treatment capacity of USD 86 per metric ton in 10 years. Studies from The World Bank's procedures (BANK, 2000) and FEAM, a Brazilian State Environmental Foundation (FEAM, 2012) and NIXXON (NIXXON et al., 2013) ratified this market assumption.

Config.	Waste Capacity (m ton/day)	Min. LCV (kcal/kg)	Installed Capacity (MW)	<b>Operation</b> (h/year)	Electricity Potential (MWh)	Electricity Efficiency
#1	600	1,200	10	8,000	80,000	29%
#2	600	3,200	26	8,000	208,000	28%
#3	600	5,200	42	8,000	336,000	28%
#4	600	6,600	60	8,000	480,000	31%

Table 2.1.2.2. Configurations and specs for WtE unit	its
--	-----

Source: Market reference's spec and available configurations (CNIM, 2018)

Considering an average exchange of R\$ 2.34 per USD in 2013's Brazilian Exchange, the estimated investment to attend MRSP is R\$ 4.5 billion (or USD 1.9 billion) (BACEN, 2018). The market recommends units with 600 metric tons per day of capacity (i.e., investment of R\$ 450 million, or USD 194 million, per unit) because of technical issues (units availability and maintenance). Due to this, the MRSP should have 12 units well distributed to treat 33% of its waste daily as shown in **Table 2.1.2.3**. São Paulo, the biggest city in MRSP, would be served by 7 MBT+WtE facilities. Other five ones would be covering the rest of the metropolitan region, shown as regions purple, red, yellow, green and blue.

REGION	<b>QTY</b> (m ton/day)	<b>MBT</b> (m ton/day)	<b>WtE</b> (m ton/day)	NR OF UNITS (600 m t)	CAPACITY	<b>ESTIMATED</b> INVESTMENT R\$ (USD) billion
Purple	928	622	306			
Red	455	305	150	2	86%	0.9 (0.4)
Yellow	1,762	1,180	581			
Green	2,714	1,819	896	3	100%	1 5 (0 6)
Blue	2,698	1,808	890	3	100%	1.5 (0.6)
Gray	12,800	8,576	4,224	7	100%	3.4 (1.5)
TOTAL	21,357	14,309	7,048	12	98%	5.8 (2.5)

Table 2.1.2.3. Proposed distributions of MBT+WtE facilities at MRSP in 2013

Source: Compilation from Figure C 1

Based on CNIM and past articles considering MBT+WtE facilities, the total investment assumed to have all 12 facilities serving the MRSP in 2013 would be R\$ 5.8 billion (or USD 2.5 billion), or 1.3 times of what is required to have only WtE facilities.

This article is not considering an MBT with anaerobic digestion, but only assets to sort recyclables (conveyors and compactors), dryers and blowers to aerobic composting. In the case of anaerobic digestion's MBT assets, factor 1.3 must increase to 4 as remarked by WHEELER,

WEKA and EPE reports (EPE; MME, 2018; WEKA, 2013; WHEELER, 2006). Moreover, due to the heterogeneous composition of the organic fraction of the urban waste, there is a pretty low efficiency on gas production when compared with systems fed with sewage sludge, agriculture, and livestock residues as already mentioned in section **1.4**.

#### 2.1.3 FIXED, VARIABLE EXPENSES AND CAPITAL COST

Operational and Maintenance (O&M) costs for MSW's treatment are between USD 50 and 110 per metric ton, based on the previous study, fulfilling rigorous best practices of production and emissions' control (BANK, 2000; FEAM, 2012; NIXXON et al., 2013).

All facilities would use some resources from the economy, such as public (gas, water, urban cleaning) and maintenance services, especially when a WtE asset needs to meet sustainable aspects as discussed by JAMASB (JAMASB and NEPAL, 2010). MBT+WtE facilities usually produce 8% of ashes (relative to the weight amount burnt) as a by-product, and they need to dispose of them. Maintenance and overhauling are also eventually required to keep the facilities working correctly. Therefore, it takes in this study 1.5% and 6% of the annual gross income to by-product disposal and maintenance, respectively, as mentioned by The World Bank and EPE reports (BANK, 2000; EPE; MME, 2008).

Other import operational assumption to the MBT+WtE model is the number of jobs. Following what is recommended by FERRI, when considering collectors to select materials manually, it is strongly recommended to use one collector picking up 730 metric tons of waste per year (FERRI et al., 2014). This parameter sounds reasonable if considered the estimated mass balance in Table 2.1.1.1. Taking into account this assumption, each collector would set-aside 43% of organics (313.9 mt per year) to dry and 33% of dirty materials (240.9 mt per year) to burn. Recyclables would be 8% of paper (58 mt per year), 8% of plastic (58 mt per year), 1% of metal (i.e. aluminum) (7.3 mt per year), 1% of glass (7.3 mt per year) and 6% of other (i.e. electronics) (43.8 mt per year). In comparison with a petrochemical production efficiency of plastics, the operation is more than 34 times smaller. So, this article accounts 10,678 workers, including those (to operate the WtE process. Besides that, the payroll considers two minimum wages per worker including labor costs and benefits, meeting Consolidated Labor Laws (CLT) in Brazil (see **Table D 1**) (BRASIL, 1943).

This formal remuneration represents twice more of what people can get from the casual (or informal) collection in cooperatives at São Paulo city, based on CEMPRE's (Brazilian Association for Business Commitment to Recycling) information (CEMPRE, 2013).

**Table 2.1.3.1** presents labor costs, operation expenses, sectorial contributions, taxes and assets accounts followed with local market practices.

The Law No. 9,991/2000 requires 1% of the net operating income (NOI) for electricity generation ventures (DEPUTADOS, 2000). However, this thesis adopted The World Bank's recommendation based on 0.5% of the total investment, or the equivalent to 1.55% of the NOI (BANK, 2000).

The National Agency for Electrical Energy (ANEEL) gives exemption to Distribution (TUSD) and Transmission (TUST) fees since the auction for an alternative source of energy in 2007. Generation plants based on biomass, including MSW, with power capacity between 30 and 50 MW are eligible by the ANEEL's Resolution No. 482/2012 in its Article 3 and paragraphs III and IV (ANEEL, 2012).

OPERATIONAL EXPENSES VC – Variable cost FC – Fixed cost	VALUE DESCRIPTION		UNIT	REFERENCES				
WTE's human resource (CF)		3.1						
Material consumption (VC)		0.9						
Third party's service (FC)	% of the investment	1.5	%	(BANK, 2000)				
Maintenance (FC)		1.8						
Overhauling (FC)		1.8						
Sorting's human resource (FC)	1 labor per 730 metric ton per year of MSW	46 (20)	R\$/metric ton year * (USD/metric ton year)	(FERRI et al., 2014)				
OTHER OPERATIONAL	ON	REFERENCES						
Insurance	ce 0.06% x Inve	estmen	t	(BANK, 2000)				
R&	D 0.5% x Inve	stment		(BANK, 2000)				
TUSD (Distribution fe	e) -			(ANEEL, 2007)				
TUST (Transmission fe	e) -			(ANEEL, 2007)				
TFSEE (sector's service rate	e) R\$ 470.63 per ir	nstalled	l kW	(ANEEL, 2013)				
ONS's contribution (sector's rate	e) R\$ 0.1/M	lWh						
CCEE's contribution (sector's rate	e) R\$ 0.1/M	lWh		(ANEEL, 2007)				
Depreciatio	on 10 yea	rs		Market practice				
IRPJ (income ta	x) 25% x Pi	rofit						
CSSL (social contribution	n) 9% x Pr	ofit		(RFB, 2018)				
CAPE	X 5% x Inves			(BANK, 2000)				

Table 2.1.3.1. The breakdown of operational costs

(\*) Considering remuneration of two 2014's minimum wage plus CLT's costs and benefits (BRASIL, 2017) **Source:** Author's elaboration based on market references

Capital for civil engineering, machines for treating recyclables and organics, filters, particulates and gas washers are in CAPEX provisioned as 0.5% of the investment, as recommended by The World Bank (BANK, 2000).

In the case of funding, the National Bank of Economic and Social Development (BNDES), a Brazilian federal bank has a credit line for Environmental Sanitation and Water Resources. This line has an annual TLP (Brazilian Long-Term Interest Rate), 1% of BNDES's premium and more 1% accounted as risk, covering 80% of the investment done by entrepreneurs (private and public players) (BNDES, 2018).

## 2.1.4 FINANCIAL ANALYSIS AND LEVEL OF CONFIDENCE FOR RISK

All economic viability was taking into account a cash flow period of 20 years, aligned to the period of municipal concession given to an entrepreneur, and a depreciation of 10 years.

Revenues, Expenses (Fixed and Variable) and Financial costs were broken-down to understand where strengths and weak points of the financial analysis would be for the year 2013.

This study used Monte Carlo Method to measure the risk through the confidence calculated by the simulation using 10,000 random scenarios. Based on almost 20 years' series of input variables (prices for products and service, exchange, investment, amount of waste, and more), these scenarios allowed to calculate other 10,000 decision output variables (NPV, IRR, and PAYBACK). All available records of these variables are in **Table 2.1.4.1** below and assumed as a normal distribution.

PARAMETERS	<b>Min</b> (x-3σ)	<b>Max</b> (x+3σ)	Mean (x)	Std dev $(\sigma)$	References
Investment (R\$ billion)	5.3	6.4	5.8	0.2	(CNIM, 2018)
Exchange (R\$/USD)	0.82	4.17	2.50	0.56	(BACEN, 2018)
Amount of Waste (k metric ton per day)	15.2	21.4	18.3	1.0	
Destination Fee (R\$ per metric ton)	35	120	77	14	
Metal scrap (R\$ per metric ton)	1,300	3,300	2,300	333	
Glass scrap (R\$ per metric ton)	162	198	180	6	(ABRELPE, 2016)
Paper scrap (R\$ per metric ton)	150	510	330	60	
Plastic scrap (R\$ per metric ton)	600	2,200	1,400	267	
Organic fertilizer (R\$ per metric ton)	100	150	125	8	
Electricity (R\$ per MWh)	90	430	260	57	(MME, 2016)
Minimum Wage (R\$ per month)	240	954	597	119	(BRASIL, 2017)
Annual Interest rate for funding (%)	6.8	9.5	8.2	0.4	(BNDES, 2018)
Annual TLP (former TJLP) (%)	4.8	7.5	6.2	0.4	(BNDES, 2018)

 Table 2.1.4.1. References to calculate 10,000 scenarios of decision

**Source:** Author's elaboration based on the market's references from 2000 to 2018

Taking into account historical moments of crises in the USA and Europe, where the technology is well-used, is reasonable to consider an investment range of +/- 10% based on the original budget of R\$ 5.8 billion (or USD 2.5 billion) calculated to 2013.

Concerning waste generation rate, based on ABRELPE and CETESB's (Brazilian Environmental Sanitation Technology Company) data, last ten years represented a growth of more than 40% in the amount, or +3,5% per year (ABRELPE, 2014; CETESB, 2014).

All economic viability analysis considered 100% on equity investment. BNDES's rates (TLP + 1% of RISK + 1% Bank's premium) were taking into account as a reference in case of funding hypothesis, and the TLP (Brazilian Long-Term Interest Rate) carried out as the hurdle rate to check the project's economic viability.

#### 2.2 INPUT-OUTPUT MODELING

The model proposed in this article intends to simulate the impact of a new sector responsible for treating MSW in the economy of MRSP. This sector, called here as MBT+WtE, would offer the service of MSW treatment, recyclable materials (metal, plastic, glass, and paper), the organic compost (fertilizer) and energy (electricity) which could replace current "virgin" products (services, materials, and power) in the market.

The economy and its interregional transactions where the I-O model works is the one organized in 62 sectors and their 116 products from 2009's Use and Make tables estimated by GUILHOTO and updated by the author to reproduce the 2013 IBGE's data using the Brazilian Broad Consumer Price Index (IPCA) accumulated for the period 2010 to 2013 (GUILHOTO, 2009; IBGE, 2017).

Service and products are valued in subsection **2.2.1** and taken into account to feed the proposed model. Replacing current service of MSW treatment and "virgin" materials is natural to expect potential savings of energy consumption and GHG emissions. Subsection **2.2.2** shows the 2013's inventories for energy and emissions and, despite sectors' aggregations, their values were fundamental to confirm them or not.

Due to this, the I-O model proposed will show different impacts in current sectors of the MRSP's economy and other regions, such as the rest of São Paulo State and the rest of Brazil. In I-O modeling it is not necessary to adopt an economy based only on products or industries' technology. Based on this fact, a combined hypothesis will be used in the same model, so that associations can be done based on new products and services replacing regular ones, or a sector impacting other (MILLER and BLAIR, 2009). There are several different methods to mix these technologies, and CUNHA's proposal was taken by the author to build a model with the number of products bigger than the sectors (CUNHA, 2005). The subsection **2.2.3** shows the proposition of modeling in an academic way where the new sector, or the MBT+WtE sector, is interacting with the economy through its service and products.

## 2.2.1 WASTE, POTENTIAL VALUE-ADDED AND OPERATIONAL ASSUMPTIONS

In subsection **2.1.1** were summarized and broken-down processes, products, service, and revenues from the MBT+WtE sector used to impact the economy.

Values (or revenues) to impact the economy were calculated assuming 2013's market prices (**Table 2.1.2.1**), Lower Calorific Value (LCV) references (**Table E 1**) and the average waste's LCV for the MRSP (**Table E 2**).

The energy value used is the one from ANEEL Auction A-5 for biomass generation in 2014, and the amount generated by 12 WtE units would be 4.0 TWh (or 353 k toe) in 2013 (ANEEL, 2013).

Emissions of GHG by WtE units followed BELANGER study which considers biogenic emissions (e.g., cellulose for paper) and he recommends using 460 kg of  $CO_{2 eq}$  per metric ton of waste treated (BELANGER et al., 2009).

Thus, considering service and products offered by the MBT+WtE sector, it is estimated at R\$ 3,594 million (or USD 1,800 million) annually added to MRSP's economy. Recyclables (plastic, paper, glass, and metal) would be responsible for 46%, electricity 25%, waste treatment service 17% and organic compost 12% (detailed in section 3.1).

The new sector would use some resources from the economy, such as public (gas, water, urban cleaning) and maintenance services. WtE facilities usually produce 8% (relative to the amount burnt) of ashes as a by-product, and disposed of in landfills, abandoned mines or mixed to build pavements. Maintenance and overhauling are also eventually required to keep the facilities working correctly. So, this study takes on 1.5% and 6% of the annual gross income to by-product disposal and maintenance, respectively (BELANGER et al., 2009; CNIM, 2018; FEAM, 2012).

Other import operational assumption to the MBT+WtE is the number of jobs. Following what is recommended by FERRI, when considering collectors to select materials, it is strongly

recommended to use one collector picking up 730 metric tons of waste per year (FERRI et al., 2014). So, this article will account 10,678 workers, including those to operate the WtE process.

### 2.2.2 INVENTORY OF ENERGY CONSUMPTION AND GHG EMISSIONS

Unfortunately, there are not detailed regional sectorized energy and emissions inventories to the Brazilian economy. Responsible agencies for these issues, such as Mines and Energy Ministry (MME) and/or Science, Technology and Innovation Ministry (MCTI), or national publications, such as National Energy Balance (BEN) and/or System of GHG Estimative (SEEG), make available energy and emissions data extremely aggregated what makes rough task to reach how impacted is a specific sector (see **Table 2.2.2.1**).

In this case, where only 18 sectors are available for all Brazilian economy, and the model was prepared to work with 62 sectors interacting in 3 regions, the author has disaggregated the data based on GDP's subsectors and regions. For example, the Textile's sector has three available subsectors in GUILHOTO's Tables (GUILHOTO, 2009). The total 2013's GDP for this sector was R\$ 46,311 million (or USD 23,190 million), where 36% represents the subsector *Textile*, 42% for the subsector *Articles and Accessories of Clothing*, and 22% for the subsector *Leather Goods and Footwear*. These contributions allowed the calculations for the energy consumption and emissions subsector's baseline. In the same way, considering the GDP of each subsector was possible to estimate energy consumption and GHG among the regions.

SECTORS	Energy Consumption (*) (10 <sup>3</sup> toe)	GHG Emissions (*) (10 <sup>6</sup> ton CO <sub>2</sub> eq)				
Transport	83,153	214				
Energy (Oil & Gas)		37				
Energy (Ethanol)	26,139	14				
Energy (Electricity)		67				
Food and Beverages	23,339	27				
Pig Iron, Steel, Ferrous Alloys	17,781	39				
Paper and Cellulose Pulp	10,575	12				
Agriculture	10 662	74				
Livestock	10,662	912				
Chemical	6,986	8				
Commercial	8,064	2				
Non-ferrous and other Metals	6,936	15				
Ceramics	5,069	6				
Public Services (Public Cleaning)	2.969	48				
Public Services (Other)	3,868	1				
Cement	5,316	42				
Mining and Pelleting	3,247	7				
Textile	1,101	1				
Other	7,945	22				
TOTAL	220,181	1,548				

 Table 2.2.2.1. Energy consumption and GHG emissions in 2013

(\*) Residential sector not considered **Source:** BEN (BEN, 2014) and SEEG (SEEG, 2014) This procedure gives an idea with considerable accuracy on getting subsector's energy consumption and GHG emissions baseline to check the effect of the MRSP's new sector in the entire Brazilian economy.

## 2.2.3 PROPOSED I-O MODEL – A DIDACTIC APPROACH

Suppose an economy with 12 sectors  $S_n$  (n = 12) and 19 products  $Q_m$  (m = 19), described as follows:  $S_1 - MBT+WtE$ ;  $S_2 - Extraction of Non-Metallic Minerals$ ;  $S_3 - Other from$  $Extractive Industry; <math>S_4 - Chemical Products$ ;  $S_5 - Aluminum's Metallurgy$ ;  $S_6 - Paper and$ Cardboard;  $S_7 - Glass$ ;  $S_8 - Resins and Elastomers Manufacturers$ ;  $S_9 - Rubber and Plastic$ ;  $S_{10} - Oil-Based Electricity Generation; S_{11} - Urban Cleaning Service; and <math>S_{12} - Other from$ Economy. And take in account their products:  $Q_1 - Organic Compost$ ;  $Q_2 - Aluminum Scrap$ ;  $Q_3 - Paper Scrap$ ;  $Q_4 - Glass Scrap$ ;  $Q_5 - Plastic Scrap$ ;  $Q_6 - Electricity$ ;  $Q_7 - MSW$  Treatment Service;  $Q_8 - Minerals Extraction for Fertilizers and Other Chemicals Products; <math>Q_9 - Non-$ Metallic Minerals;  $Q_{10} - Non-Ferrous Metallic Minerals$ ;  $Q_{11} - Inorganic Chemical Products$ ;  $Q_{12} - Aluminum Metallurgy$ ;  $Q_{13} - Paper and Cardboard$ ;  $Q_{14} - Glass and Products$ ;  $Q_{15} -$ Resins;  $Q_{16} - Rubber and Plastic Articles$ ;  $Q_{17} - Oil-Based Electricity$ ;  $Q_{18} - Urban Cleaning$ Service; and  $Q_{19} - Other Products from Economy$ . The model's formulation derives from a system of equations based on Use (U) and Make (V) matrices whose structures are shown in Figure 2.2.3.1 and Figure 2.2.3.2 below. Here, MBT+WtE and its products are mentioned but not used.

										1	r				
		X1	X <sub>2</sub>	Х <sub>3</sub>	X4	X <sub>5</sub>	X <sub>6</sub>	X <sub>7</sub>	X <sub>8</sub>	X <sub>9</sub>	X <sub>10</sub>	X <sub>11</sub>	X <sub>12</sub>	E	Q
	Use Matrix (U) T <sub>initial</sub>	MBT+WtE	Extraction of Non-Metallic Minerals	Other from Extractive Industry	Chemical Products	Metallurgy of Aluminum	Paper and Cardboard	Glass	Resins and Elastomers Production	Rubber and Plastic	Electricity Generation (oil based)	Urban Cleaning Service	Other from Economy	Final Demand	Value of the Products
$\mathbf{Q}_1$	Organic Compounds				Z <sub>1,4</sub>									E1	
Q <sub>2</sub>	Aluminum scrap					Z <sub>2,5</sub>								E2	
Q <sub>3</sub>	Paper scrap						Z <sub>3,6</sub>							E3	
<b>Q</b> 4	Glass scrap							Z <sub>4,7</sub>						E4	
Qs	Plastic scrap									Z <sub>5,9</sub>				Es	
<b>Q</b> <sub>6</sub>	Electricity		Z <sub>6,2</sub>										Z <sub>6,12</sub>	E <sub>6</sub>	
Q7	Service of MSW Treatment		Z <sub>7,2</sub>										Z <sub>17,2</sub>	E7	
Q <sub>8</sub>	Extration of Minerals for Fertilizers and Other Chemical Products				27.76									10.00	37.76
Q <sub>9</sub>	Non-Metallic Minerals				6.94			11.05					27.00	20.00	64.99
Q <sub>10</sub>	Non-Ferrous Metallic Minerals				2.78	12.06							40.50	25.00	80.34
Q11	Inorganic Chemical Products		11.29	7.48	8.33	0.80	8.06	5.16	4.07	0.86	0.26	0.04	54.00	15.00	115.34
Q <sub>12</sub>	Aluminum's Metallurgy					3.22							27.00	10.00	40.60
Q <sub>13</sub>	Paper and Cardboard			2.14	1.39	1.21	25.20	0.74	0.68	0.86	0.13	0.04	40.50	30.00	102.87
Q <sub>14</sub>	Glass and its Products				1.39		1.01	3.68					27.00	40.00	74.44
Q <sub>15</sub>	Resins									29.98			13.50	25.00	68.48
Q <sub>16</sub>	Rubber and Plastics parts		5.65	2.14	5.55	4.02	3.02	1.47	1.36	2.57	0.38	0.14	27.00	35.00	88.30
Q <sub>17</sub>	Electricity (oil based)		0.21	0.54	0.41	0.18	0.44	0.44	0.21	0.10	0.01	0.03	0.20	10.00	12.78
Q <sub>18</sub>	Urban Cleaning Service		0.12	0.07	0.13	0.01	0.16	0.04	0.02		0.01		1.20	2.00	3.77
Q <sub>19</sub>	Other Products from Economy		28.24	34.17	55.52	8.04	24.19	15.48	28.47	14.56	4.98	1.20	688.52	500.00	1,403.38
XT	Production Value		112.95	106.80	138.80	40.19	100.81	73.69	67.79	85.66	12.78	3.54	1,350.04	(moneta	ary units)

**Figure 2.2.3.1.** Original Use matrix (U) based on the type of industries and products (combined technology)

The matrix (U) shows sectors and products used in their productions. Moreover, matrix (V) presents products used in the production of each sector.

		Q1	Q <sub>2</sub>	Q3	Q4	Qs	Q <sub>6</sub>	Q7	Qs	Q <sub>9</sub>	Q <sub>10</sub>	Q <sub>11</sub>	Q <sub>12</sub>	Q <sub>13</sub>	Q <sub>14</sub>	Q <sub>15</sub>	Q <sub>16</sub>	Q <sub>17</sub>	Q <sub>18</sub>	Q <sub>19</sub>
	Make Matrix (V)	Organic Compounds	Aluminum scrap	Paper scrap	Glass scrap	Plastic scrap	Electricity	Service of MSW Treatment	Extration of Minerals for Fertilizers and Other Chemical Products	Non-Metallic Minerals	Non-Ferrous Metallic Minerals	Inorganic Chemical Products	Aluminum's Metallurgy	Paper and Cardboard	Glass and its Products	Resins	Rubber and Plastics parts	Electricity (oil based)	Urban Cleaning Service	Other Products from Economy
X1	MBT+WtE	0.10	0.30	0.10	0.05	0.20	0.20	0.05				1								
X <sub>2</sub>	Extraction of Non-Metallic Minerals								0.9500	0.9700										0.0100
$X_3$	Other from Extractive Industry										0.9800									0.0200
$X_4$	Chemical Products											0.9600								0.0200
$X_5$	Metallurgy of Aluminum												0.9900							
$X_6$	Paper and Cardboard													0.9800						
$X_7$	Glass														0.9900					
$X_8$	Resins and Elastomers Production															0.9900				
X <sub>9</sub>	Rubber and Plastic																0.9700			
X <sub>10</sub>	Electricity Generation (oil based)																	1.0000		
$X_{11}$	Urban Cleaning Service																		0.9400	
X <sub>12</sub>	Other from Economy								0.0500	0.0300	0.0200	0.0400	0.0100	0.0200	0.0100	0.0100	0.0300		0.0600	0.9500

**Figure 2.2.3.2.** Make matrix (V) based on the type of industries and products (combined technology)

The linear system of equations related to the academic model would be as follows:

I. Equation from Make Matrix (V) based on Products considering the new MBT+WtE sector (E. 1):

$$Q = C^{T} \cdot X_{1}$$

$$[Q] = \begin{bmatrix} 0,10\\0,30\\...\\0,05 \end{bmatrix} \cdot X_{1} \implies \begin{bmatrix} Q_{1}\\Q_{2}\\...\\Q_{7} \end{bmatrix} = \begin{bmatrix} 0,10\\0,30\\...\\0,05 \end{bmatrix} \cdot X_{1}$$

$$E. 1 - 1) Q_{1} = 0,10 \cdot X_{1} \implies 0,10 \cdot X_{1} - Q_{1} = 0$$

$$E. 1 - 2) Q_{2} = 0,30 \cdot X_{1} \implies 0,30 \cdot X_{1} - Q_{2} = 0$$

$$\vdots$$

$$E. 1 - 7) Q_{7} = 0,05 \cdot X_{1} \implies 0,05 \cdot X_{1} - Q_{7} = 0$$

Where:

 $X_1$  – Production value from sector 1 (MBT+WtE)

 $C^{T}$  – Direct production requirements' coefficient in a sector

Q – Values of 7 seven products from MBT+WtE sector

Based on the economy from Figure 2.2.3.2 and its direct requirements, it would be necessary seven equations (E. 1).

# II. Equation from Make Matrix (V) considering existing sectors in the economy and based on their types of industries (E. 2):

(E. 2)

$$\begin{bmatrix} X_2 \\ X_3 \\ ... \\ X_{12} \end{bmatrix} = D \cdot \begin{bmatrix} Q_8 \\ Q_9 \\ ... \\ Q_{19} \end{bmatrix}$$
  
E. 2 - 8) X<sub>2</sub> = 0,95 · Q<sub>8</sub> + ... + 0,01 · Q<sub>19</sub>  
:  
E. 2 - 18) X<sub>12</sub> = 0,05 · Q<sub>8</sub> + ... + 0,95 · Q<sub>19</sub>

 $X = D \cdot Q$ 

Where:

 $X_n$  – Production value from 11 sectors of the economy

**D** – Production technical coefficients from a product in several sectors

 $\mathbf{Q}$  – Values from 12 products in 11 sectors of the economy

Based on the economy from **Figure 2.2.3.3** with its technical production coefficients, it would be necessary for here eleven equations (E. 1).

## **III.** Equations for the destiny of the MBT+WtE's products in Use Matrix (U) (E. 3):

(E. 3)

(E. 4)

E. 3 - 9) 
$$Z_1 + E_1 = Q_1$$
  
E. 3 - 20)  $Z_2 + E_2 = Q_2$   
:  
E. 3 - 23)  $Z_5 + E_5 = Q_5$   
E. 3 - 24) ... 33)  $\left(\sum_{j=2}^{12} Z_{6,j}\right) + E_6 = Q_6$   
E. 3 - 34) ... 43)  $\left(\sum_{j=2}^{12} Z_{7,j}\right) + E_7 = Q_7$ 

Z + E = Q

Based on the economy from **Figure 2.2.3.3** below, seven equations (E. 3) would represent MBT+WtE's products destination in the economy.

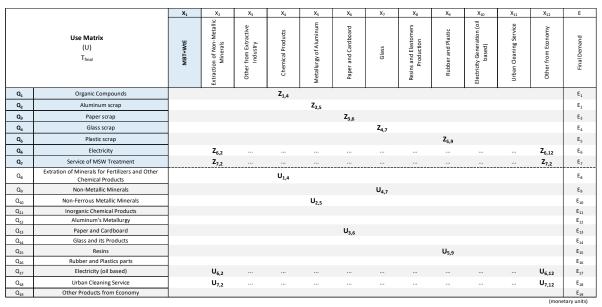


Figure 2.2.3.3. Proposed Use Matrix (U) considering the new MBT+WtE sector

## **IV.** Equations which represent the destiny of the existing products in the economy and shown in the Use Matrix (U):

E. 4 - 44) 
$$(0,00 \cdot X_2 + 0,00 \cdot X_3 + \dots + 0,00 \cdot X_{11} + 0,00 \cdot X_{12}) + E_8 = Q_8$$
  
E. 4 - 45)  $(0,00 \cdot X_2 + 0,00 \cdot X_3 + \dots + 0,00 \cdot X_{11} + 0,02 \cdot X_{12}) + E_9 = Q_9$   
E. 4 - 46)  $(0,25 \cdot X_2 + 0,32 \cdot X_3 + \dots + 0,34 \cdot X_{11} + 0,51 \cdot X_{12}) + E_{19} = Q_{19}$ 

 $(B \cdot X) + E = Q$ 

Where:

- $\mathbf{B}$  Use technical coefficient from a product in a sector
- $\mathbf{X}$  Production value of the sector
- $\mathbf{B} \cdot \mathbf{X}$  Part of the products from the economy destined to the intermediary consumption
- $\mathbf{E}$  Part of the products from the economy destined to the final demand
- **Q** Products' value from the economy

This topic would have twelve equations (E. 4) based on the economy from **Figure 2.2.3.4** with its technical coefficients.

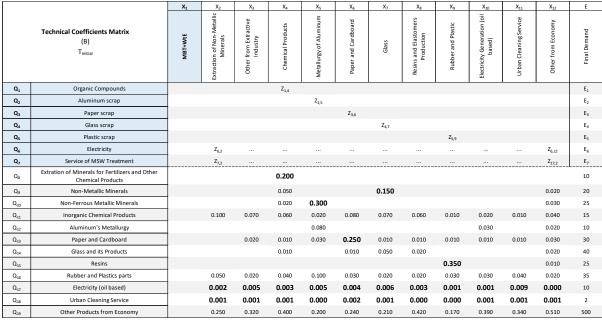


Figure 2.2.3.4. Original Technical Coefficients' Matrix (B) from the economy

## V. Equations for replacing "virgin" products with the ones produced by MBT+WtE sector:

(E. 5)

$$Z + U = B \cdot X$$
  
E. 5 - 47) Z<sub>1,4</sub> + U<sub>1,4</sub> = 0,200 · X<sub>4</sub>  
:  
E. 5 - 50) Z<sub>4,7</sub> + U<sub>4,7</sub> = 0,150 · X<sub>7</sub>  
E. 5 - 51) Z<sub>5,9</sub> + U<sub>5,9</sub> = 0,350 · X<sub>9</sub>  
E. 5 - 52) Z<sub>6,2</sub> + U<sub>6,2</sub> = 0,002 · X<sub>2</sub>  
:  
E. 5 - 62) Z<sub>6,12</sub> + U<sub>6,12</sub> = 0,000. X<sub>12</sub>  
E. 5 - 63) Z<sub>7,2</sub> + U<sub>7,2</sub> = 0,001 · X<sub>2</sub>  
E. 5 - 64) Z<sub>7,12</sub> + U<sub>7,12</sub> = 0,001 · X<sub>12</sub>  
Where:

 $\mathbf{Z}$  – Recyclable's product value produced by MBT+WtE sector

U – Value of the "virgin" product, which will be replaced by MBT+WtE's products.

As an example, it is shown the value of the product plastic scrap ( $Z_{5,9}$ ) replacing resins value ( $U_{5,9}$ ), attending the product's tech coefficient (B) in the sector Rubber and Plastic ( $X_9$ ):

$$X_9 = \left(\frac{U_{5,9} + Z_{5,9}}{0,350}\right)$$
(E. 6)

Here it is necessary to consider a Techno-Economic Factor (r) to replace "virgin" for recyclable because there are relevant market restrictions to recyclables usage. Thus, the equation (E. 6) to be considered in the model is:

$$X = \left[\frac{U + \left(\frac{Z}{r}\right)}{B}\right]$$
(E. 7)

On a hypothetical case with a Product (P) blended with 60% of recyclable costing (y) 50 less than a "virgin" one, equation (E. 7) is:

$$r_{\rm P} = \left[\frac{0,60 \cdot \left(\frac{y}{2}\right)}{0,40 \cdot y}\right] = \left(\frac{0,30}{0,40}\right) = 0,75$$
 (E. 8)

This rational (E. 8) represents 1.0 monetary unit of "virgin" replaced for 0.75 monetary unit of recyclable.

The number of equations here is 27, taking into account the information in Figure 2.2.3.3 and Figure 2.2.3.4.

VI. Equations from Final Demands (E) for the recyclable and "virgin" products to the Families and Government, such as Electricity and Urban Cleaning Service:

E. 9 – 65) 
$$E_6 + E_{17} = E_{17}^0$$
 (E. 9)

E. 9 – 66) 
$$E_7 + E_{18} = E_{18}^0$$
 (E. 10)

Where:

- $E_6$  Final demand for the product Electricity produced by the MBT+WtE sector
- E7 Final demand for the product Urban Cleaning Service offered by the MBT+WtE sector
- $E_{17}^0$  Initial demand for the product Electricity based on fuel oil in the economy
- $E_{18}^0$  Initial demand for the product Urban Cleaning Service in the economy
- E<sub>17</sub>- Final demand for the Electricity considering the MBT+WtE supply
- $E_{18}$  Final demand for the Urban Cleaning considering the MBT+WtE supply

In this opportunity will not be considered the Techno-Economic Factor (r) because there's no restriction to use the electricity or the cleaning service supplied by the MBT+WtE sector.

Here are only two equations (E. 9) and (E. 10) based on data from Figure 2.2.3.4.

## VII. Equations to get the new amount of "virgin" when the MBT+WtE sector begins to work in the economy:

$$E_i = \alpha_{i,j} \cdot E_i^0 \tag{E. 11}$$

E. 11 - 67) 
$$E_{17} = \alpha_{17,E_{17}} \cdot E_{17}^0 = 10 \cdot E_{17}^0$$
  
E. 11 - 68)  $E_{18} = \alpha_{18,E_{18}} \cdot E_{18}^0 = 2 \cdot E_{18}^0$   
 $U_{i,j} = \alpha_{i,j} \cdot U_{i,j}^0$  (E. 12)  
E. 12 - 69)  $U_{62} = \alpha_{62} \cdot U_{62}^0$ 

E. 12 - 79) 
$$U_{6,12} = \alpha_{6,12} \cdot U_{6,12}^0$$
  
E. 12 - 79)  $U_{6,12} = \alpha_{6,12} \cdot U_{6,12}^0$   
E. 12 - 80)  $U_{7,2} = \alpha_{7,2} \cdot U_{7,2}^0$   
E. 12 - 90)  $U_{7,12} = \alpha_{7,12} \cdot U_{7,12}^0$ 

Where:

$$\mathbf{E}_{i}$$
 – New final demand considering the "virgin" products i

 $\mathbf{E_i^0}$  – Initial demand for the "virgin" products i

 $\mathbf{U}_{i,j}$ - New use to the "virgin" product i for the sector j

 $\mathbf{U}_{i,i}^{\mathbf{0}}$  - Initial use to "virgin" product i for the sector j

 $\alpha_{i,j}$ - Adjustment factor to get the new amount of "virgin" products i, Electricity based on fuel oil and Urban Cleaning Service, for the sectors j

The total equations would be 24, based on data in Figure 2.2.3.4.

With all 90 equations and 108 variables in this educational model, it is possible to get ENDOGENOUS (M) and EXOGENOUS (N) matrixes in an equilibrium market hypothesis:

$$M + N = 0$$
 (E. 13)

Where:

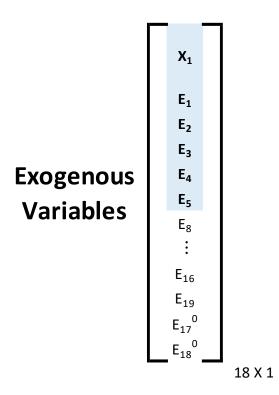
 $M-Values \ of \ Supply$ 

N - Values of Demand

The ENDOGENOUS matrix (M) is below, and it is considering only intermediary consumption data:

	_	X <sub>2</sub>		X <sub>12</sub>	Q1		Q <sub>19</sub>	E <sub>6</sub>	E7	E <sub>17</sub>	E <sub>18</sub>	$Z_1$		Z <sub>5</sub>	Z <sub>6,2</sub>		Z <sub>6,12</sub>	Z <sub>7,2</sub>		Z <sub>7,12</sub>	U <sub>1,4</sub>		U <sub>5,9</sub>	U <sub>6,2</sub>		U <sub>6,12</sub>	U <sub>7,2</sub>		U <sub>7,12</sub>	<b>α</b> <sub>17,j</sub>	α <sub>18,j</sub>
I	q.1	0,000		0,000	-1,000		0,000	0,000	0,000	0,000	0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000	0,000
	:	:	·.	:	:	•.	:	:	:	:	:	:	•.	:	:	•.	:	:	•.	:	:	•	:	:	•.	:	:	۰.	:	÷	:
1	q.7	0,000		0,000	0,000		0,000	0,000	0,000	0,000	0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000	0,000
E	q.8	-1,000		0,000	0,000		0,010	0,000	0,000	0,000	0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000	0,000
	:	:	۰.	:	:	۰.	÷	:	:	÷	÷	:	•.	÷	:	·.	÷	:	•	:	:	•.	:	:	۰.	:	:	۰.	:	÷	÷
E	q.18	0,000		-1,000	0,000		0,950	0,000	0,000	0,000	0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000	0,000
E	q.19	0,000		0,000	-1,000		0,000	0,000	0,000	0,000	0,000	1,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000	0,000
	:	:	N.	:	÷	•	:	:	:	:	:	:	×.	÷	:	۰.	:	:	•.	:	:	•	÷	:	•.	:	:	•.	:	÷	:
E	q.25	0,000		0,000	0,000		0,000	0,000	1,000	0,000	0,000	0,000		0,000	0,000		0,000	1,000		1,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000	0,000
	q.26	0,000		0,000	0,000		0,000	0,000	0,000	0,000	0,000	0,000		0,000	0,000		0,000	0,000		0,000	1,000		0,000	0,000		0,000	0,000		0,000	0,000	0,000
Μ	:	:	·.	:	:	•.	:	:	:	:	:	:	•.	÷	:	•.	:	:	•.	:	:	•	:	:	۰.	:	:	۰.	:	÷	÷
E	q.37	0,250		0,510	0,000		-1,000	0,000	0,000	0,000	0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000	0,000
E	q.38	0,000		0,000	0,000		0,000	0,000	0,000	0,000	0,000	1,000		0,000	0,000		0,000	0,000		0,000	1,000		0,000	0,000		0,000	0,000		0,000	0,000	0,000
	:	:	•.	:	:	۰.	:	:	:	:	:	:	۰.	:	:	•.	:	:	•.	:	:	ς.	:	:	۰.	:	:	۰.	:	÷	÷
E	q.64	0,000		-0,001	0,000		0,000	0,000	0,000	0,000	0,000	0,000		0,000	0,000		0,000	0,000		1,000	0,000		0,000	0,000		0,000	0,000		1,000	0,000	0,000
Eq.	q.65	0,000		0,000	0,000		0,000	1,000	0,000	1,000	0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000	0,000
E	q.66	0,000		0,000	0,000		0,000	0,000	1,000	0,000	1,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000	0,000
E	q.67	0,000		0,000	0,000		0,000	0,000	0,000	0,000	0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	-1,000		0,000	0,000		0,000	0,208	0,000
	:	:	•.	:	:	ς.	:	:	:	:	:	:	·.	:	:	ς.	:	:		:	:		:	:	•.	:	:	•.	:	:	:
E	q.90	0,000		0,000	0,000		0,000	0,000	0,000	0,000	-1,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000		0,000	0,000	2,000
	-	-																													

To get the impact of introducing the MBT+WtE sector in the SUPPLY (M), it is a must to separate demand's variables (or EXOGENOUS), including those from the new sector and its production value, as follows:



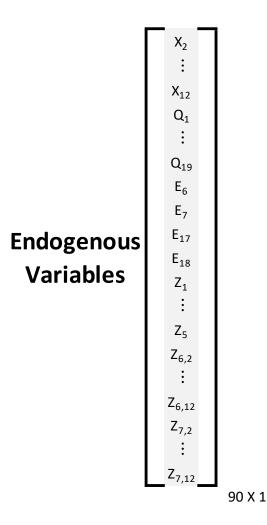
Moreover, this would be the matrix where the SHOCK value (Y) affects the DEMAND (N):

		X <sub>1</sub>	E1	•••	E <sub>5</sub>	E <sub>8</sub>	•••	E <sub>16</sub>	E <sub>19</sub>	E <sub>17</sub> 0	E <sub>18</sub> 0
	Eq.1	-0,100	0,000	•••	0,000	0,000	•••	0,000	0,000	0,000	0,000
	÷	:	÷	·.	•	:	·	:	:	:	:
	Eq.7	-0,050	0,000	•••	0,000	0,000	•••	0,000	0,000	0,000	0,000
	Eq.8	 0,000	0,000	• • •	0,000	0,000	•••	0,000	0,000	0,000	0,000
	÷	:	:	•.	•	÷	•.	•	:	:	•
	Eq.18	0,000	0,000	•••	0,000	0,000	•••	0,000	0,000	0,000	0,000
	Eq.19	0,000	-1,000	•••	0,000	0,000	•••	0,000	0,000	0,000	0,000
	÷	:	÷	·.	•	:	·.	•	:	:	•
	Eq.25	0,000	0,000	•••	0,000	0,000	•••	0,000	0,000	0,000	0,000
NI	Eq.26	 0,000	0,000	•••	0,000	-1,000	•••	0,000	0,000	0,000	0,000
-N	÷	:	÷	·.	•	:	•.	• •	:	:	•
	Eq.37	-0,300	0,000	•••	0,000	0,000	•••	0,000	-1,000	0,000	0,000
	Eq.38	0,000	0,000	• • •	0,000	0,000	•••	0,000	0,000	0,000	0,000
	÷	:	÷	·.	•	÷	•.	•	÷	:	•
	Eq.64	0,000	0,000		0,000	0,000	•••	0,000	0,000	0,000	0,000
	Eq.65	0,000	0,000	•••	0,000	0,000	•••	0,000	0,000	1,000	0,000
	Eq.66	0,000	0,000	•••	0,000	0,000	•••	0,000	0,000	0,000	1,000
	Eq.67	0,000	0,000		0,000	0,000	•••	0,000	0,000	0,000	0,000
	÷	:	:	·.	•	:	•.	•	:	:	•
	Eq.90	0,000	0,000	•••	0,000	0,000	•••	0,000	0,000	0,000	0,000
											-

Multiplying the matrices  $[-N]_{90 X 18} \cdot [EXOGENOUS VARIABLES]_{18 X 1}$  the SHOCK value is obtained to be done on the economy's intermediary consumption, as follows:

$$[M]_{90 X 90}^{-1} \cdot [SHOCK]_{90 X 1} = [IMPACT]_{90 X 1}$$
(E. 14)

This IMPACT is noted on the ENDOGENOUS VARIABLES, or on the new composition of products from the MBT+WtE sector and the existing ones in the economy:



The introduction of this new sector in the economy brings new alternative products and services, including jobs, which could socially and economically impact the regional and national economy through the amount of MSW generated.

Once impacted, it is possible to analyze the economy with the new sector through Direct and Indirect effects on Production values (X), as shown below:

$$X = X_{direct} + X_{indirect}$$
(E. 15)

The Production value affected by the direct effects  $(X_{direct})$  is the result of the SHOCK (Y) and the direct inputs from several economy's sectors (n):

$$X_{direct} = Y + \sum_{1}^{n} A^{n} \cdot Y$$
 (E. 16)

Alternatively,

$$X_{direct} = (I + A) \cdot Y$$
 (E. 17)

Remembering that:

$$X = (I - A)^{-1} \cdot Y$$
 (E. 18)

Then:

$$X_{indirect} = X - X_{direct}$$
(E. 19)

If considering the Value of the Products (Q), with the equation (E. 4) in (E. 2), it has:

$$B \cdot D \cdot Q + E = Q$$
  

$$E = Q - B \cdot D \cdot Q$$
  

$$E = (I - B \cdot D) \cdot Q$$
  

$$Q = (I - B \cdot D)^{-1} \cdot E$$
(E. 20)

Thus, with the equation (E. 17), the value of products under direct effect ( $Q_{direct}$ ), is given by:

$$Q_{direct} = (I + B \cdot D) \cdot E$$
 (E. 21)

As in (E. 19):

$$Q_{\text{indirect}} = Q - Q_{\text{direct}}$$
(E. 22)

## 2.2.4 TECHNICAL AND ECONOMIC FACTS ABOUT USING RECYCLABLES

The use of recyclables replacing "virgin" raw materials offers some advantages, mainly when saving resources, such as:

– Energy

- Water
- Minerals

– Fuels

– Others

Once part of the value chain would have less production, it is expected a sensitive GHG emission reduction, detailed in subsection 2.2.2.

However, it must be considered technical and economic aspects when replacing "virgins" with recyclables.

Concerning technical aspects, it is important to emphasize the negative impacts of reprocessing and contamination, which can compromise recyclables use. A classic example is that one for plastic materials. In the process of transformation into products, the thermal and mechanical cycle can break primary chemical bonds, which results in reducing some mechanical properties, such as tensile strength. Once the product reaches the end of its life, and after its discard to be reprocessed, it is foolhardy its use in the same application. In Brazil, the National Health Surveillance Agency (ANVISA) prohibits to use recyclable plastics to produce packaging and devices that will be in contact with food. However, excepting other applications such as automotive, plastic bags, containers and other domestic appliances can have from 20% to 100% of recyclables in their composition (ANVISA, 2016). In bags used to carry waste is common to be produced using 100% recyclable plastic with improved mechanical resistance and some losses of visual aspect increasing their thickness and using some pigments, dyes or whitening.

From an economic point of view, it is common to find a range of prices for recyclable plastics, which goes from 20 to 80% of the "virgin" product.

So, taking as a basis the example where, technically, in average is found in blends with 60% of recyclable plastics, the total cost for the raw material is:

Total Cost (raw material) =  $0.60 \cdot \text{Price for recyclable} + 0.40 \cdot \text{Price for "virgin"}$ 

Considering the economic factor where, on average, the recyclable costs 50% less than the "virgin", the cost is:

Total Cost (raw material) =  $0.60 \cdot (0.50 \cdot \text{Price for "virgin"}) + 0.40 \cdot \text{Price for virgin}$ 

Calculating the Techno-Economic Factor (r) to replace "virgin" for recyclable:

$$r_{\text{Plastic}} = \frac{0.60 \cdot (0.50 \cdot \text{Price for "virgin"})}{0.40 \cdot \text{Price for "virgin"}} = \frac{0.30}{0.40} = 0.75$$

Other recycled materials, such as paper and organic, also follow the same rationale that considers technical and economic factors. However, there are instances where there is no technical restriction of product replacement, for example, is the case of aluminum scrap. Thus, it takes on 100% recycled can replace "Virgin" aluminum only the price would be different

between them. By ABAL (Brazilian Aluminum Association) and CEMPRE (Business Commitment for Recycling) in 2013, the average price of scrap aluminum was 2,800 R\$/t, while the aluminum "Virgin" on average was R\$ 3,279/t. Thus, the calculation of r factor of aluminum replacement will be (1)(2):

$$r_{Aluminum} = \frac{\text{Price for recyclable}}{\text{Price for "virgin"}} = \frac{\text{R$ 2,800/t}}{\text{R$ 3,279/t}} = 0.85$$

Besides aluminum, recycled glass, as well as electricity and MSW treatment service, offered by the large-scale integrated model in this article, also follow considering in their r factor the price ratio because there is no technical restriction to replace. **Table E 3** presents the technicaleconomic factors (r) mentioned in subsection 2.2.4 and used in the results discussed in **CHAPTER 3**.

Thus, the r factor must be read, for example in the use of plastic, as each one monetary value expended to the "Virgin" plastic would replace by 0.75 monetary value of recyclable.

## 2.3 KICKING OFF A CHALLENGE TO THE CURRENT NATIONAL POLICY FOR SOLID WASTE

This article brings a status' update from all challenges established by the PNRS, and all information extracted from recognized Brazilian offices, associations and institutes which manage sanitation' data, especially those who are specialized on waste and recycling.

Once clearly shown evolution and current situation, the author intends to approach with tire's recycling initiative in Brazil which places goals to achieve its challenges. Improving the Brazilian policy and help it to reach its goals, the suggestion is to define some targets to materials, such as paper, plastic, and glass and charge them from their producers, as suggested by ROGOFF (ROGOFF and ROSS, 2016). The policy, as it is originally, requires only a global level of 20% and let to the municipalities to define their strategies and this empowerment is not working.

Here the idea is to propose a technique based on the fraction of materials available in the market to calculate a minimum recycling rate to be reached globally, per material and tracking who and from where would be the producer (petrochemical, paper, and cellulose, glass, imported or local one).

Taking this parameter as the apparent consumption which is possible to recycle and measuring the market sources, it is possible to discover the minimum recycling rate for each material. Similar to what happens in tires' case that uses a wear fraction of 30% for replacement, the following equation (E. 23) could be:

$$AR = AC \times DF \tag{E. 23}$$

Where:

AR – Amount to be Recycled

AC – Apparent Consumption

**DF** – Disposable Fraction (or fraction of all plastic produced for disposables' applications)

To track possible sources of materials and later attribute their goals, equation (E. 24) as follows:

$$AC = (LP + I) - E$$
 (E. 24)

Where:

LP – Local Production

I - Imports

 $\mathbf{E} - Exports$ 

Moreover, finally, equation (E. 25) through (E. 24) in (E. 23) to calculate the recyclable amount:

$$AR = [(LP + I) - E] \times DF$$
 (E. 25)

Economy effects, such as a crisis or sudden growth which can impact consumption and its demand profile for durable or disposable applications, will be mitigated in this article presenting results through the average of the last four years of data availability.

## **CHAPTER 3. RESULTS AND DISCUSSIONS**

## 3.1 ECONOMIC VIABILITY ANALYSIS

Considering potential revenues through the MBT+WtE model to the year 2013, 58% of them would be from sales of recoverable materials (metal, plastic, paper, glass, and bio-fertilizer). Electricity would represent 25% and 17% coming from the service of MSW treatment provided to the cities at MRSP (see Figure 3.1.1).

Plastic and bio-fertilizer would represent 48% and 20% of the total amount of recoverable' revenues.

Attending the entire MRSP with 12 units, the model considers 504 MW of installed capacity and would generate 4.5 TWh of electricity in 2013. This amount of energy would be equivalent to 25% of the thermoelectric supply for the State of São Paulo, or 2% for the Brazilian territory. All public lighting demand in the State of São Paulo would have the electricity produced and sold by MBT+WtE facilities at MRSP (SEMESP, 2014).

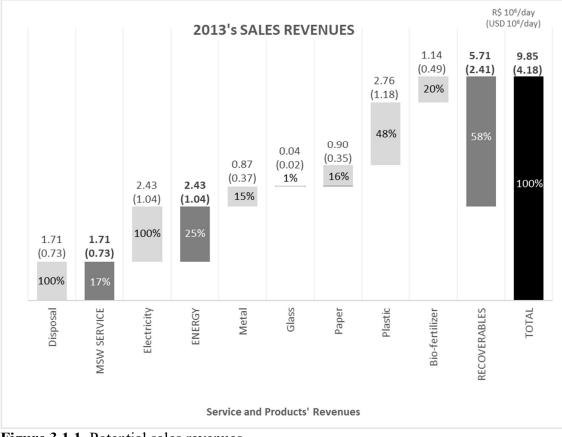


Figure 3.1.1. Potential sales revenues

The waste recycling rate would rise from the current 4% to up 24% or considering organic compost; the waste recovery rate could reach 67%.

Assumptions of operational and financial costs in the model would consume 56% of gross revenue, resulting in a pocket margin of 44% (see **Figure 3.1.2**). In absolute value, this margin would be, in 2013, 26% of the total budget invested in the MRSP.

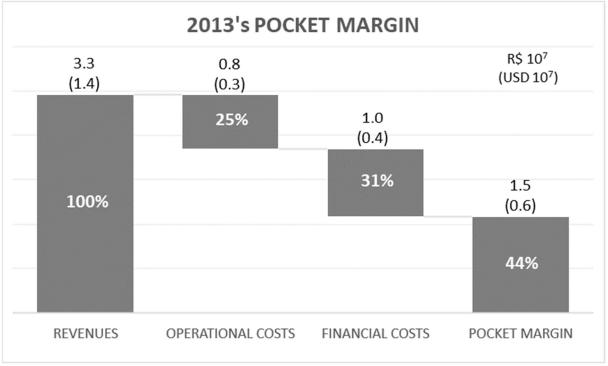


Figure 3.1.2. Pocket margin

Operational costs would take 25% from gross revenue, where fixed costs (or expenses) would be 94% of the total, and HR component is the most important representing 66% from it (see **Figure 3.1.3**). On the other hand, the MRSP would have more than 10.6 thousand new formal jobs.

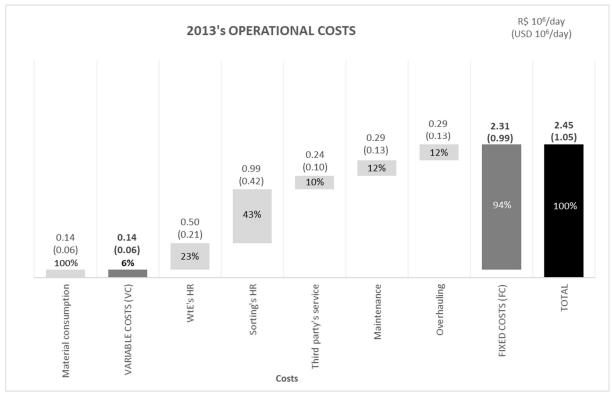


Figure 3.1.3. Operational costs' breakdown for 2013

Financial costs demanding 31% of gross revenue would have tax payment as the heaviest variable, or 62% of their total (see Figure 3.1.4).

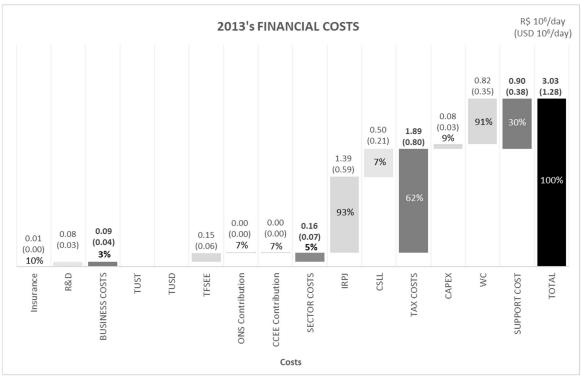


Figure 3.1.4. Financial costs' breakdown for 2013

The risk analysis was performed using 10,000 aleatory scenarios, built with records from the last ten years. Considering a confidence interval of 99% (means only 50 lower and higher values discarded from 10,000 ones), the variables IRR, NPV and PAYBACK using cash flows of 20 years would be as shown in **Figure 3.1.5**, **Figure 3.1.6** and **Figure 3.1.7** as a normal distribution with 99% of confidence interval (mean  $\pm$  3 standard deviations).

In average, IRR calculated would be 33.7% per year for the cash flow of 20 years considering constant currency. Negative and positive scenarios, based on records from the last twenty years, would give 16.5% as the lowest IRR, and 50.9% as the highest one (**Figure 3.1.5**). Considering the average hurdle rate of 6.2%, the calculated average IRR would be 5.4 times higher than it.

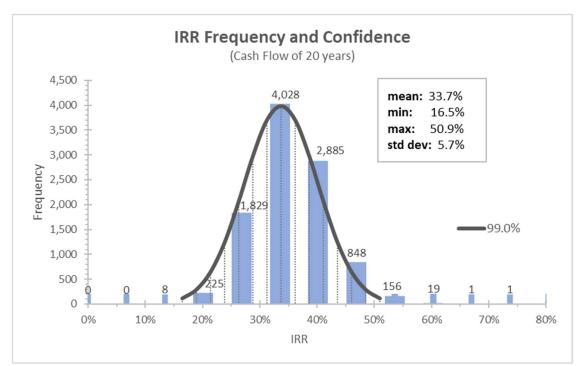


Figure 3.1.5. IRR analysis with a 99% confidence level

Value generation, assumed here as NPV, would present average value of R\$ 10.8 (or USD 4.3) billion, or 68% higher than the worst scenario of investment mentioned in **Table 2.1.4.1**. Taking into account negative and positive historical scenarios, the model would create a minimum of R\$ 2.1 (or USD 0.9) billion, almost 36% of the average amount of investment, and 334% for a maximum NPV of R\$ 19.4 (or USD 7.8) billion (see **Figure 3.1.6**).

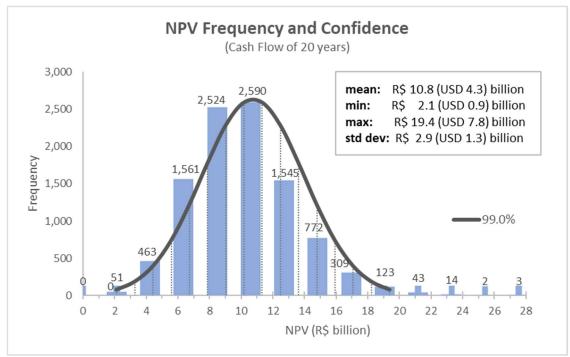


Figure 3.1.6. NPV analysis with a 99% confidence level

Analyzing the payback, the average time to pay the investment under conditions assumed in this study would be 6.6 years (**Figure 3.1.7**). For the best and worst scenarios, the range calculated would be from 4.4 to 8.8 years.

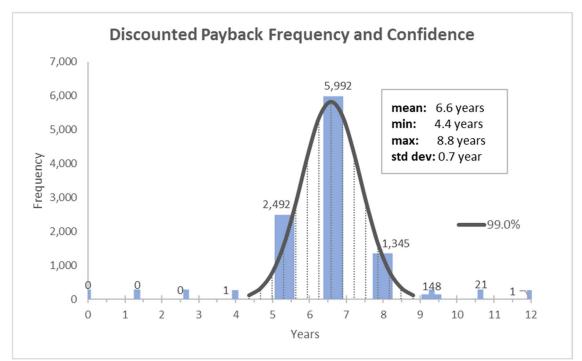


Figure 3.1.7. Payback analysis with a 99% confidence level

The proposal presents an average ROI (Return of Investment) of 24.5% per year (see **Figure 3.1.8**). However, even considering the lowest possible value of 7.9% per year, it would be higher than the highest hurdle rate of 7.5%.

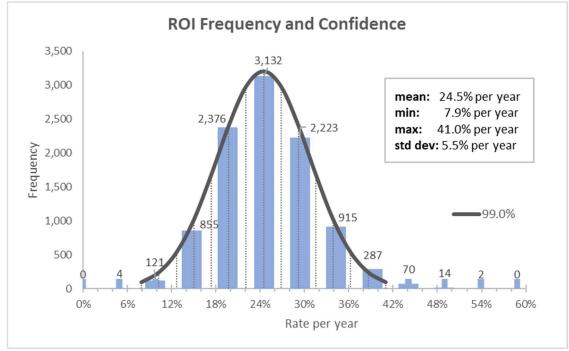


Figure 3.1.8. ROI analysis with a 99% confidence level

Assuming 2013's market records, just to a cross-check, the model would delivery an IRR of 32.6%, NPV of R\$ 12.9 (or USD 5.5) billion, and a payback of 5.5 years, fitting perfectly within the confidence interval. However, if the entrepreneurs decide to get BNDES's funding for sanitary ventures, the IRR could reach 116,3%. The value generation (NPV) would be R\$ 13.4 (or USD 5.8) billion, and a payback of 6.9 years. ROI would be 22.9% in both cases but considering maximum BNDES funding of 80%; the ROE (Return on Equity) would be 95,8% per year to the investors (see **Table 3.1.1**).

	fully versus fullening (20 year s	
VARIABLE	100% EQUITY	80% of BNDES's FUNDING
IRR	33.7%	116.3
NPV	R\$ 10.8 (USD 4.3) billion	R\$ 13.4 (USD 5.8) billion
PAYBACK	6.6	6.9
ROI	24.5% per year	22.9% per year
ROE	24.5% per year	95.3% per year

Table 3.1.1. Comparison of equity versus funding (20 year's cash flow)

It is possible to find some initiatives of landfills generating electricity with gas, but their references to the economic viability are pretty difficult to access in Brazil. ABREU and PICANÇO presented in their researches economic viabilities to landfills with gas recovering considering market fees (waste disposal service), prices (electricity) and efficiency on gas

recovering and conversion to energy. By them, landfills with gas recovering presents IRR in a range from 16% to 36% and an ROI from 2 to 5% (ABREU, 2009; PICANÇO et al., 2011).

Once more it is important to emphasize that this work does not seek to demonstrate the financial and economic viability of the WtE facility. As pointed out in other studies, such as the FEAM or EPE, if considered only WtE units to treat the MSW, there are not encouraged conditions to propose an alternative to the landfills (EPE; MME, 2008; FEAM, 2012). The reasons are multiples, such as high investment, poor waste (low LCV and high humidity) and an energy market without encouraging prices. Here, as seen in articles already mentioned, the WtE technology (or other expensive existing technology) would be part of an integrated high-scale line for MSW treatment. The most important for reaching the economic viability would come from the sales of recoverable materials, such as plastic, fertilizer, paper, metal (mainly aluminum) and glass, and from the waste treatment service supplied by the MBT+WtE model to the municipalities. Using an RDF with an LCV improved by the MBT, the WtE facilities would be smaller and more efficient what would close the portfolio with their electricity revenues.

### 3.2 INTERREGIONAL INPUT-OUTPUT SIMULATION

The model presented in this article was fed with the inter-regional economic transactions of 62 sectors and 116 products shown in Use (U) and Make (V) matrices estimated by GUILHOTO and updated by the author to the year 2013, based on IBGE.

Impacts in the regional economy come from the introduction of the MBT+WtE sector treating 100% of MRSP's MSW in 2013, and their results presented under direct and indirect effects into the region, state, and country.

The subsection 3.2.1 shows and discusses the results from the socioeconomic point of view through the impacts on Production Value (X), Jobs and Gross Domestic Product (GDP).

Estimated new environmental and energetic scenarios discussed in section 3.2.2 where Greenhouse Gases (GHG) and Energy Consumption results face the operation of the MBT+WtE sector at MRSP.

### **3.2.1** SOCIOECONOMIC IMPACTS

According to the model, where it is considered to establish an MBT+WtE sector at MRSP, the effects over the regional economy would be, predominantly, indirect ones (see **Table F 1**).

The metropolitan's GDP would increase by 0.2% keeping the same level of production value in 2013 (see **Figure 3.2.1.1** and **Figure 3.2.1.2**). The new sector would be responsible for adding value to the local economy by itself, and demanding local services from sectors **S40** – *Electricity, Gas, Water, Sewage and Urban Cleaning* (+ 0.1%) and **S47** – *Maintenance and Repair Services* (+ 2.7%) to keep its 12 facilities working. On the other hand, reduced values from sectors related to cleaning services, organic compost, and recyclables. The sectors would be **S62** – *Urban Cleaning Services* (-49.8%), **S5** – *Other from Extractive Industry* (-12.3%), **S17** – *Resins and Elastomers Production* (-5.8%), **S58** – *Production of Paper, Cardboard and their Products* (-5.2%), and **S57** – *Non-Metallic Minerals Extraction* (-3.0%) (detailed in **Table G 1** and **Table H 1**).

Another sector strongly impacted would be the **S61** – *Electricity Production* (fuel oilbased). Considering a total installed capacity of 504 MW and selling energy cheaper than the fossil fuel-based one commonly dispatched in drier periods, the new sector would decrease by 25% the demand for a thermoelectric generation in São Paulo State or 2% in Brazil. This thermoelectric fuel oil-based demand occurs in dry periods of the year when the hydro sources are not working at full capacity. The amount of electricity would be enough to cover 100% of the State's demand for public lighting.

Both, rest of São Paulo State and Brazil would have their GDP and production value decreased by 0.15% and 0.20%, respectively, the recyclables replacing "virgin" raw materials.

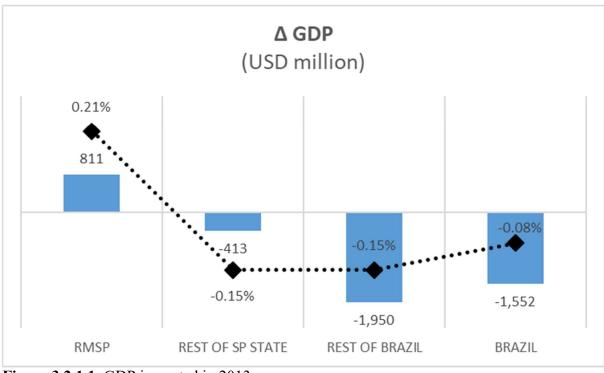
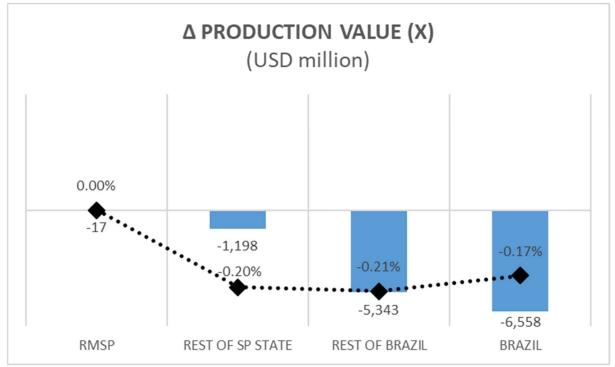
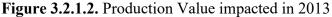


Figure 3.2.1.1. GDP impacted in 2013





The MBT+WtE sector would demand 10,678 job opportunities to attend the MRSP. This new sector would represent an increment of 10,559 jobs (+0.08%) taking account, approximately, the total of 12.6 million current ones (see Figure 3.2.1.3 and Table I 1). Sectors producers of Papers and Plastics would be slightly impacted (-0.50% or 219 jobs) despite being more efficient than recyclables collection's supply from the new sector. On the other hand,

demanded services (i.e., maintenance to recycling and WtE assets) in the local economy represented by the sector S47 - Maintenance and Repair Services would have +0.19% (or 562) job opportunities.

The impact in the rest of São Paulo State would be less 691 jobs or -0.01% of the total 9.8 million opportunities. The sectors most impacted would be those who produce Papers and their Forestry raw material with almost -0.4% (or 254) jobs.

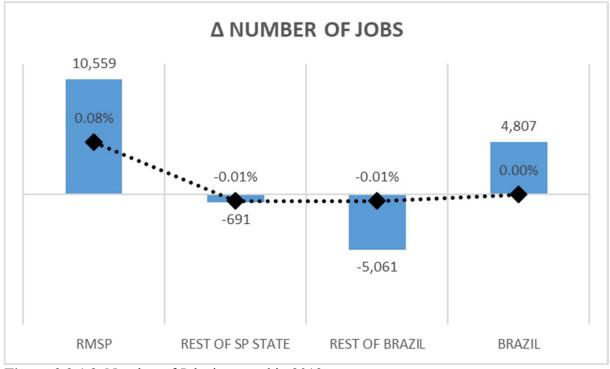


Figure 3.2.1.3. Number of Jobs impacted in 2013

In the rest of the country, the indirect effect of MRSP's new sector on the losses of jobs would be even higher in absolute numbers (-5,061 jobs), or -0.01% of the total, approximately, 80.0 million ones. In this case, the sectors with more significant losses would be those who produce Paper, Non-Metallic Minerals Extraction and Services decreased by recyclables' supply.

However, nationally speaking, the new MBT+WtE sector working at MRSP would increase up to 4,807 jobs in 2013.

#### 3.2.2 IMPACTS ON ENERGY CONSUMPTION AND GHG EMISSIONS

Based on Energy Consumption and GHG Emissions' inventories already presented in the subsection 2.2.2, and submitted to the I-O model proposed in this article, the MRSP would have a reduction of 0.31% in its energy consumption. The GHG emissions would have a decrease of 3.4% (or 2.993 Mton  $CO_2$  eq), as shown in **Figure 3.2.2.1** and **Figure 3.2.2.2**. That would be the answer given by the indirect effect of the new sector. It would offer MSW treatment (alternative to landfill and without releasing  $CH_4$ ), electricity produced with RDF (alternative to oil-based), recyclable raw materials (metal, plastic, glass, and paper) and organic compost (fertilizer).

Less energy consumed when replacing the use of "virgins", fewer greenhouse emissions when reducing raw materials consumption, and choosing release CO<sub>2</sub> instead of CH<sub>4</sub> within WtE process.

In **Table J 1** is shown that the sectors that most contribute to the reduction of energy consumption would be the S58 – *Production of Paper, Cardboard and their Products*, S17 – *Resins and Elastomers Production* and S61 – *Electricity Production* (fuel oil-based).

It is also possible to verify an energy consumption reduction of 0.3% in both regions, the rest of São Paulo State and the rest of Brazil. The highlight to the significant contribution of the sector **S58** – *Production of Paper, Cardboard, and their Products* depends on the production localization and the weight of their energy consumption level in the economy.

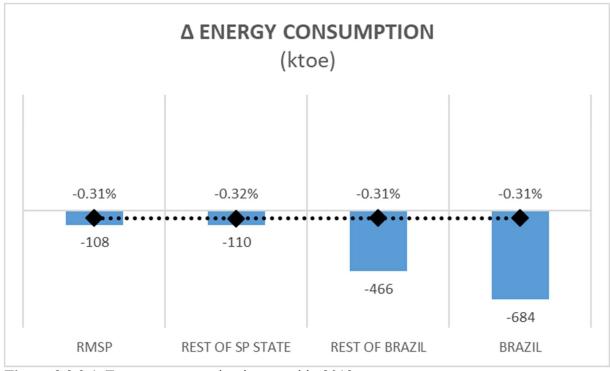


Figure 3.2.2.1. Energy consumption impacted in 2013

In **Table K 1** it is possible to note the model points to GHG emission reduction in the MRSP, mainly by the **S62** – *Urban Cleaning Services* (-95.4%). Indeed, the result is due to the choice of the new MSW treatment without emission of CH<sub>4</sub>. In the rest of São Paulo State and the rest of Brazil, the reduction of GHG emissions would be by 0.2% and 0.1%, respectively.

GHG releases in all Brazilian territory would be by 0.3% due to the direct and indirect effects of the new sector. Avoided dispatch of fossil fuel-based electricity could be considered an additional contribution to the decrease of GHG emissions, especially in dry weather periods of the year when the hydro source is not enough to support the demand.

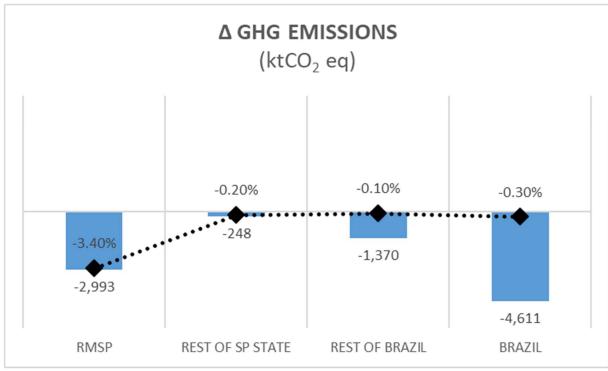


Figure 3.2.2.2. Emissions impacted in 2013

#### **3.3 PUBLIC POLICY IMPROVEMENT**

As established by the PNRS, 100% waste generated in Brazil would be destined to landfills from 2014. Despite penalties imposed on municipalities who do not comply with, entities, such as the Brazilian Association for Public Cleaning and Special Residues' Companies (ABRELPE), are warning in all their reports that they are neglecting this challenge (see **Figure 3.3.1**) (ABRELPE, 2016).

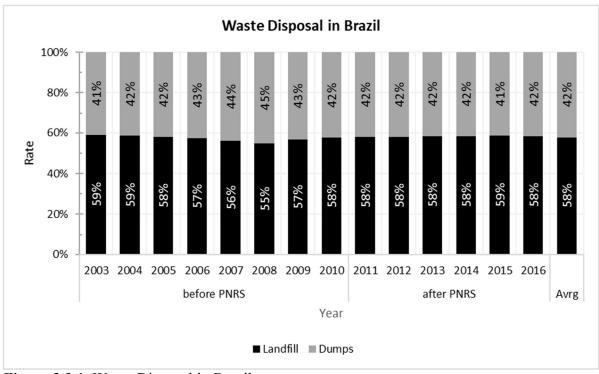


Figure 3.3.1. Waste Disposal in Brazil Source: Data compilation from ABRELPE (ABRELPE, 2016)

Unfortunately, it is clear to verify that dumps remain as a destination for waste since 2003, without or a few progress on landfills' services. Level of investment on sanitary services does not seem to be the main reason not to achieve dumps eradication, even considering that it is tough to manage it within a budget with  $\pm$ 50% of deviation from 2007 to 2015. On average in this period, Brazil had USD 14 per capita-year of investment which should be used to treat almost 1.2 kg (or 2.3 pounds) per capita-day of waste. This amount was equivalent to what EU-28 invested with the practically double amount of waste produced (see Figure 3.3.2).

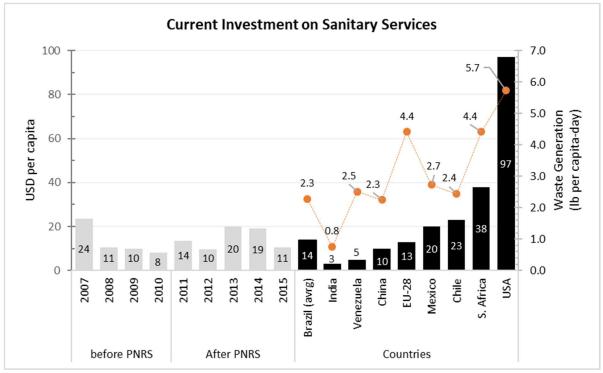


Figure 3.3.2. Investments in Sanitary Service Source: Data compilation from ABRELPE (ABRELPE, 2016) and The World Bank (HOORNWEG and BHADA-TATA, 2012)

So, what would be the possible reason for not achieving the same European results? The answer seems to be found in **Figure 3.3.3**, below. Both, USA and Europe have a matrix of destination with more than one solution, what is favorable to use multiple strategies and to accomplish achievable challenges and goals. Considering a more resilient infrastructure is possible to mitigate the usage of land, where availability is a problem in metropolitan regions, save resources with recycling, produce organic fertilizers with organic composting and generate energy (electricity and steam) with the thermal process. As an example, in his most recent article, YILI has pointed out a comparison where waste-to-energy plants are 127% more efficient than landfills, but not all regions of China could have enough demand to justify a higher investment (YILI et al., 2017).

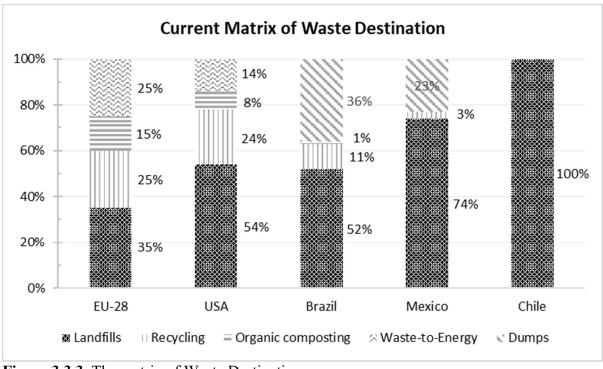


Figure 3.3.3. The matrix of Waste Destination Source: Data compilation from ABRELPE (ABRELPE, 2016) and The World Bank (HOORNWEG and BHADA-TATA, 2012)

Even having recycling in its matrix of treatment, Brazil still shows only 11% of waste recycling rate, thanks to the high rate of aluminum recycling. While PNRS established 20% by 2015, this insufficient rate comes due to the level of organics and other (mainly electronics) represent no more than 1% of their amounts found in municipal residues. Especially at organic ones, it is strange to face that developing countries, where people are still starving, have their waste with up to 70% of the rest of the food. And not only in Brazil, but this also happens with the too low rate of recycling, or organic composting. YUNMEI presents in his article that China dropped its rate of organic treatment from 10% to 2% in the last 15 years, in contrast with what is happening in Europe where this rate rounds 15% and raising from time to time (YUNMEI et al., 2017).

Plastic's rate (11%) is also low in comparison with paper and glass (46%), or even if compared with steel and aluminum ones (99%), shown in **Figure 3.3.4**.

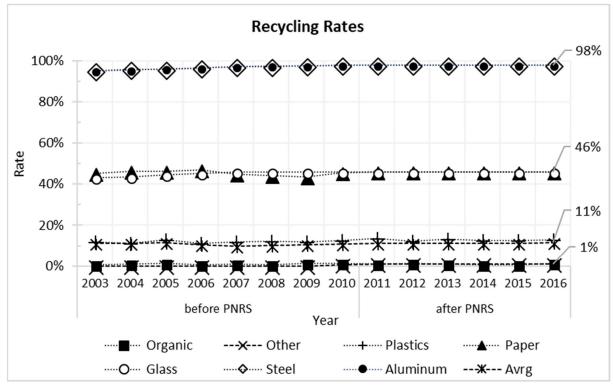
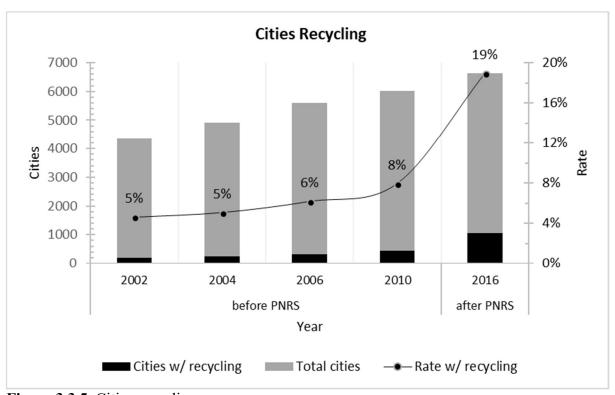
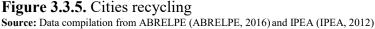


Figure 3.3.4. Record of Brazilian recycling rates Source: Data compilation from ABRELPE (ABRELPE, 2016) and IPEA (IPEA, 2012)

Another critical issue comes from the fact of PNRS has not achieved 100% cities engagement's goal. Despite growing more than 137% since 2002, the engagement's rate only reached 19% after six years from the policy's establishment (see Figure 3.3.5).





Steel and aluminum rates of recycling seem to be a solved problem in the Brazilian MSW management, and yes, the reason comes from the commodities' high value per weight. In these examples are possible to see an organized work between society and producers. One considers the possibility of an extra-income for families and other, an opportunity to reduce production costs with raw materials and, mainly, energy.

However, what to do with other commodities, such as paper, glass, and plastic? Are they within the optimal rate of recycling?

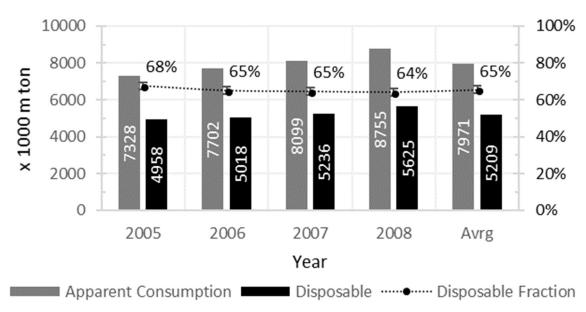
This analysis must follow their possible applications in the market, and package one must be the focus due to its disposable, or short shelf life, characteristic.

These materials have low value per weight and interests in recycling them are equally low for society and producers. Moreover, sometimes, even in developed countries, where recycling seems to be under control, the prices of these recyclable commodities are too low that can compromise the whole system, as mentioned ROGOFF is his article (ROGOFF and ROSS, 2016).

Over these aspects, the pneumatics' program could be a good benchmark case to reproduce and encourage better rates of recycling, even known their reverse logistics is the capital response to the success.

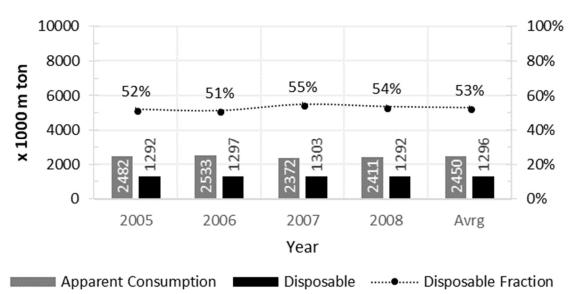
An excellent initial parameter to take is the rate of disposal application of each material, or what fraction of it goes to attend the market of packaging (see **Figure 3.3.6**, **Figure 3.3.7** and **Figure 3.3.8**).

In the case of plastics, the rate is 81%, with a standard deviation of  $\pm$ 7%, due to several types used for packaging and each one has own fraction of destination to a disposable application. For example, frequently more than 30% of all PE produced is for packaging purposes. In cases like PS and PET usually, are used 100% to attend the market of disposables. PVC most used in the past, but now less than 10% goes to this market which is accompanied by PE and PP (30%), mainly with flexible films and injected or molded containers.



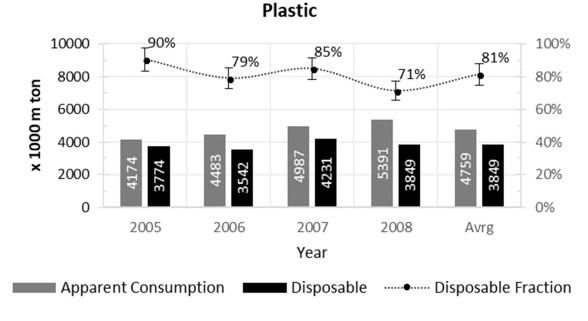
Paper and Cardboard

Figure 3.3.6. Disposable fraction for Paper and Cardboard Source: Data compilation from ABRE (ABRE, 2017) and ABTCP (ABTCP, 2016)



Glass

Figure 3.3.7. Disposable fraction for Glass Source: Data compilation from ABRE (ABRE, 2017) and ABIVIDRO (ABIVIDRO et al., 2016)



**Figure 3.3.8.** Disposable fraction for Plastic **Source:** Data compilation from ABRE (ABRE, 2017) and ABIQUIM (ABIQUIM, 2015)

As an open market with local and foreigner players, another important parameter is the market share to attribute responsibilities and goals. **Figure 3.3.9** shows the most recent apparent consumption and own domestic production, import and export amounts for each material.

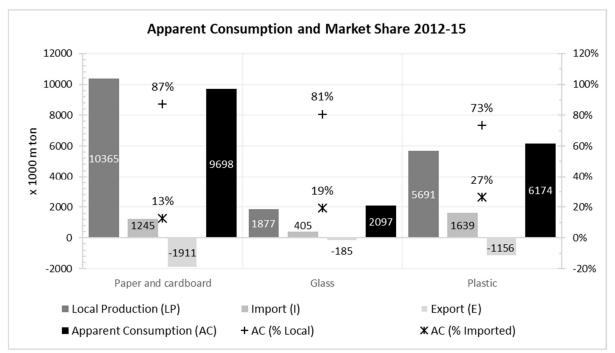


Figure 3.3.9. Apparent Consumption and Market Share

Source: Data compilation from ABRE (ABRELPE, 2016), ABTCP (ABTCP, 2016), ABIVIDRO (ABIVIDRO et al., 2016) and ABIQUIM (ABIQUIM, 2015)

The apparent Brazilian consumption for paper and glass is more than 80% supplied by local companies. In the case of plastic, 73% of it is local, and 27% comes from foreigner companies.

That means each category of material (paper and cardboard, glass and plastic) must have its current market suppliers responsible for their share. Despite several players in each category, organization and information management is not a problem. All have their specific institute or association, such as Brazilian Technical Association of Automatic Glass Industries (ABIVIDRO), Brazilian Association of Chemical Industries (ABIQUIM) and Technical Brazilian Association of Pulp and Paper (ABTCP) (ABIQUIM, 2015; ABIVIDRO et al., 2016; ABTCP, 2016). These entities can supply all information about the amount produced, exported, and material destination in the local market. In the case of imported materials, RFB (Brazilian Federal Income Bureau) can track their players and movements through their NCM (Common Mercosur Classification) (RFB, 2018).

Using the equation (E. 25), considering data from Figure 3.3.6, Figure 3.3.7, Figure 3.3.8 and Figure 3.3.9, is possible to calculate a minimum average recycling rate for materials (see Figure 3.3.10) and a new minimum national goal for Brazilian's policy (see Figure 3.3.11).

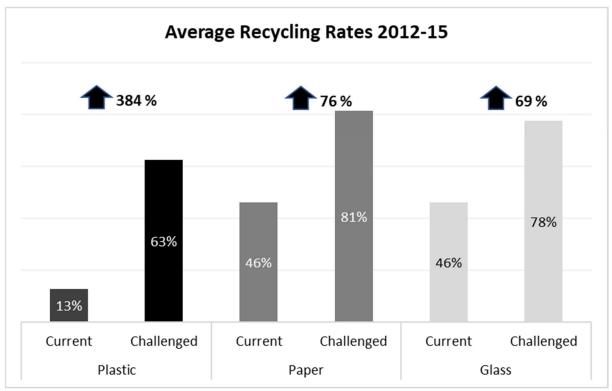
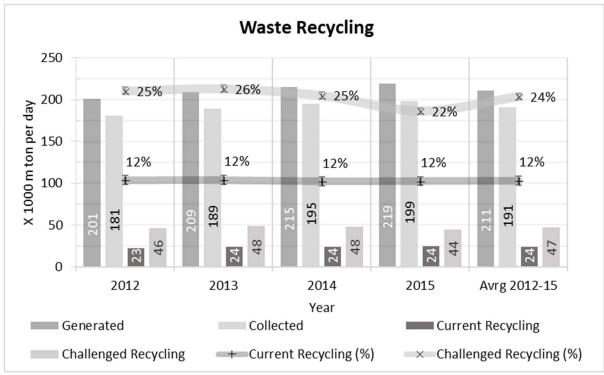


Figure 3.3.10. Challenged recycling rates for recyclables Source: Author's calculation



**Figure 3.3.11.** Comparison of current versus challenged recycling rates **Source:** Author's calculation

A disposable factor is possible to define a realistic minimum rate of recycling. In the case of plastic, its rate could jump from the current 13% to 63%, representing a growth of almost five times. Even glass and paper with their 46% of recycling rate could reach approximately 80% on average.

The national rate of recycling could be twice higher than the current one and reach a level found in developed regions like Europe and the USA.

An advance in this proposal is to allow how to track what is weighing more in a category (e.g., plastic) with multiple materials. **Figure 3.3.12** shows a breakdown based on the application's market share for most used plastics.

Most found plastic in the waste, PET (42%) must be challenged to recycle at least 26%, mainly the bottle grades, due to your volume and the ease of recycling because it is cleaner than containers.

The biggest challenge is within polyolefins (PEAD, PEBD, and PP). Together, they represent 55% of all plastics discarded as films, vessels, containers, bags, and 35% would be a minimum rate for them.

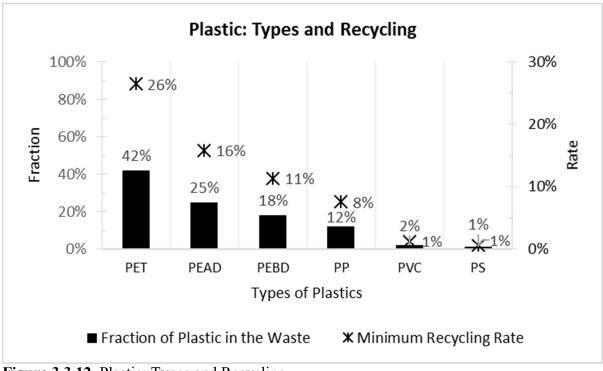


Figure 3.3.12. Plastic: Types and Recycling Source: Author's calculation

With this recycling rate breakdown is possible to know who must be charged to accomplish its calculated goal. Moreover, as EPA has done in the USA, IBAMA could be in charge of monitoring these categories and their players, making annual reports to ME (Ministry of Environment). This mechanism already works for managing discarded tires, and based on IBAMA's reports to ME, this one has all conditions to apply, when necessary, tax penalties to those companies, or their associations, who do not meet the goals.

### **CHAPTER 4. CONCLUSIONS**

Most important issue when developing a proposal to manage the MSW is the presence of robust public policy. It is the start point that guarantees the compromise to solve the problem, and gives to the investors, public or private ones, a secure on what to invest. Public police like the PNRS should indicate multiple alternatives to technologies which could be able to dispose and treat the waste. It must not be restrictive because this does not give the opportunity to create a matrix of solutions to manage the MSW. As already shown before, a good example to Brazil is what developed countries have done mainly when having a well-structured recyclable collection. Considering multiples alternatives to treat their waste, they can choose the best one

by the characteristics of their regions. Typically when they have enough space and a structured chain of recyclables collection, landfills are the way. If they are facing a high demographic region with too many environmental restrictions, such as water reservoirs and forest reserve, a most expensive or complicated solution can be an option. Mainly talking about the source of energy and emissions, the PNRS 12.305/10 must challenge the municipalities to increase their rates of recycling. Europeans already have recycling rates up to 67%, and they reached this significant level with robust public policy. Then, a proposal to the Brazilian policy which moves the current level of recycling from 12% to 24%, demanding producers engagement, does seem to be feasible to a start point, mainly to present a strategy to reverse logistic for recyclables; what pneumatics producers already solve it.

As shown in this thesis, a large-scale model of recycling and thermal waste treatment can reduce the demand for electricity (-0.31%) and carbon emission (-3.4%) in the MRSP. Choosing a model which can produce energy through the waste, the dispatch of electricity generated in fossil fuel-based thermoelectric plants can be avoided, mainly in dry periods of the year. An MBT model offering recyclables and power through the waste mitigates the demand for raw materials and their associated carbon emissions when produced. An alternative to the land-use can also reduce methane release which is more than 20 times worst to the atmosphere than carbon dioxide.

Locally the initiative shows a bonus of GDP increment to the MRSP with the proposed model. Its GDP increases (+0.21%) and job positions increase up to 10,559 new ones. Rest of the regions of Brazil would present a decrease of GDP and job positions due to the supply of recyclables. Their low demand of related services available in the economy, products and value in comparison with "virgins" materials can cause these impacts, but this could be improved if the current producers of new materials look to this massive supply of recyclables as an opportunity to add value. Moreover, this seems to start in the worldwide market with petrochemicals and paper producers joint-venturing with recyclers. They are figuring out niches of the market willing to pay better to have recyclables with supply and source confidence.

Even a model considering expensive technologies are liable to attend metropolitan regions like São Paulo. Recycling and extracting as much as possible of organics from the waste, reduce the capital intensity when investing in WtE units. Smaller units are necessary to produce electricity with more efficiency, and best values come from sales of service and products. In the case shown in this thesis, the model presents economic viability (e.g., IRR= 33.7% and ROE=24.5% per year) that would not be an obstacle to change the status quo of dumps, landfills

and low engagement on recycling. By the way, this viability can be better (e.g., IRR=116.3%, ROI=22.9% per year and ROE=95.5% per year) with lines of financial credits with substantial interest rates. A good example is the National Bank of Economic and Social Development (BNDES), a Brazilian federal bank has a credit line for Environmental Sanitation and Water Resources with low-interest rates with a minimum 20% of investor's equity.

Breaking the paradigms of economic viability and negative social impacts, reducing the electricity demand with less carbon release, hopefully, this thesis contributes to improving the PNRS. It is essential to consider in it more technologies to manage the municipal waste, due to several different area characteristics, to increase the coverage of the policy's compromises, and to attract more investors and entrepreneurs.

As already detailed, domestic waste anaerobic digestion is not typical on an industrial scale as well as agriculture and livestock ones. Its residues composition with too many preservatives, demanding activation (e.g., use of degradation promoters) to accelerate the process of degradation and gas production, and assets too capital intensive, are still considered barriers to overcome. That explains why it is more common to aerate and dry it to produce organic fertilizer. Despite this, as far as this author researched and performed this thesis, he did not find any study taking into account all potential sources of revenues in an MBT with anaerobic digestion and WtE units what suggests an opportunity to future research even considering any financial and technical obstacles.

### **BIBLIOGRAPHIC REFERENCES**

- ABAL, 2016. Associação Brasileira do Alumínio Anuário Estatístico ABAL 2015 [WWW Document]. URL http://abal.org.br/biblioteca/publicacoes/anuario-estatistico-abal-2015/
- ABIQUIM, 2015. Publicações Anuário da Indústria Química Brasileira 2015 [WWW Document]. Assoc. Bras. da Indústria Química. URL http://www.abiquim.org.br/publicacoes/publicacao/110
- ABIVIDRO, MME, Vidro, A.B. das I.A. de, Energia, M. de M. e, 2016. Anuário Estatístico do Setor de Transformação de Não Metálicos 2016 [WWW Document]. URL http://www.mme.gov.br/documents/1138775/1732813/ANUÁRIO+NÃO-METALICOS+2016.pdf/7eb6c04a-50a0-4119-a5cb-a5a2104b9966
- ABNT, 2004. NBR 10.004: Resíduos Sólidos Classificação [WWW Document]. URL http://www.abntcatalogo.com.br/norma.aspx?ID=936
- ABRE, 2017. Anuário da Associação Brasileira de Embalagem 2017 [WWW Document]. Assoc. Bras. Embalagem. URL http://www.abre.org.br/anuario/
- ABRELPE, 2016. Panorama dos Resíduos Sólidos no Brasil 2003-2016 [WWW Document]. Assoc. Bras. Empres. Limp. Pública e Resíduos Especiais. URL http://www.abrelpe.org.br/panorama\_edicoes.cfm
- ABRELPE, 2014. Panorama dos resíduos sólidos no Brasil 2014. Assoc. Bras. Empres. Limp. Pública e Resíduos Especiais 120. https://doi.org/ISSN 2179-8303 9
- ABREU, F. de, 2009. Análise de viabilidade técnica e econômica da geração de energia através do biogás de lixo em aterros sanitários. Rio Janeiro Ed.
- ABTCP, 2016. Publicações: Positions Papers [WWW Document]. Assoc. Bras. Técnica Celul. e Pap. URL http://abtcp.org.br/produtos-e-servicos/positions-papers/
- AGRAWAL, S., SINGH, R.K., MURTAZA, Q., 2015. A literature review and perspectives in reverse logistics. Resour. Conserv. Recycl. 97, 76–92.
- AGROLINK, 2016. Portal do Conteúdo Agropecuário [WWW Document]. AGROLINK. URL https://www.agrolink.com.br
- AIDIS, 2006. Directrices para la Gestion Integrada y Sostenible de Residuos Solidos Urbanos en America Latina y el Caribe [WWW Document]. URL http://www.aidis.org.br/PDF/libro\_residuos\_solidos.pdf
- AMBIENTE, M.D.M., 2018. Política Nacional de Resíduos Sólidos Urbanos [WWW Document]. MMA. URL http://www.mma.gov.br/política-de-resíduos-sólidos
- ANEEL, 2013. Leilão A-5 Contratação de energia proveniente de novos empreendimentos de geração hidrelétrica e térmica [WWW Document]. URL http://www2.aneel.gov.br/aplicacoes/editais\_geracao/documentos/EDITAL\_Leilão A-5\_29ago.pdf
- ANEEL, 2012. Resolução Normativa nº 482 de 17 de Abril de 2012. Aneel. https://doi.org/10.1017/CBO9781107415324.004
- ANEEL, 2011. BIG Banco de Informações de Geração [WWW Document]. URL http://www.aneel.gov.br/aplicacoes/capacidadebrasil/OperacaoCapacidadeBrasil.asp

- ANEEL, 2007. Resolução Normativa ANEEL nº 271 [WWW Document]. NORMAS Bras. URL http://www.normasbrasil.com.br/norma/?id=106003
- ANVISA, 2016. Informe Técnico no. 71 de 11 de Fevereiro de 2016 [WWW Document]. URL http://portal.anvisa.gov.br/documents/33916/388729/Informe+Técnico+n°+71%2C+de+ 11+de+fevereiro+de+2016/e03dac30-111d-4793-a57e-a454a3862f74
- BACEN, 2018. Banco Central do Brasil: Exchange [WWW Document]. Cent. Bank Brazil. URL http://www4.bcb.gov.br/pec/taxas/port/ptaxnpesq.asp?id=txcotacao
- BANK, T.W., 2000. Municipal Solid Waste Incineration Requirements for a Successful Project. World Bank Tech. Guid. Rep. WTP 462 108.
- BELANGER, L., RITCHIE, P.N., SMITH, P.C., 2009. Comparison of Greenhouse Gas Emissions from Waste-to-Energy Facilities and the Vancouver Landfill [WWW Document]. Tech. Memo. URL http://pentz.com/NoIncinerator/greenhouse Emmissions.pdf
- BEN, 2014. Balanço Energético Nacional: Ano base 2013 [WWW Document]. Balanço Energético Nac. URL https://ben.epe.gov.br/downloads/Relatorio\_Final\_BEN\_2014.pdf
- BESEN, G.R., RIBEIRO, H., GUNTHER, W.M.R., JACOBI, P.R., 2014. Selective waste collection in the São Paulo metropolitan region: Impacts of the national solid waste policy. Ambient. e Soc. 17, 259–278.
- BIZZOTTO, A. et. al., 2010. Cidade ainda só recicla 1% de seu lixo [WWW Document]. Notícias. URL http://www.sao-paulo.estadao.com.br/noticias/geral.cidade-ainda-sorecilca-1-de-seu-lixo-imp-.549094
- BNDES, 2018. BNDES Finem Saneamento Ambiental e Recursos Hídricos [WWW Document]. Banco Nac. do Desenvolv. URL http://www.bndes.gov.br/wps/portal/site/home/financiamento/produto/bndes-finemsaneamento-ambiental-recursos-hidricos
- BOSMANS, A., VANDERREYDT, I., GEYSEN, D., HELSEN, L., 2013. The crucial role of Waste-to-Energy technologies in enhanced landfill mining: A technology review. J. Clean. Prod. 55, 10–23.
- BRASIL, 2017. Série Histórica Salário Mínimo Brasileiro [WWW Document]. Portal Bras. URL https://www.portalbrasil.net/salariominimo.htm
- BRASIL, 2011. Plano Nacional de Resíduos Sólidos (Lei no 12.305/2010) [WWW Document]. Bras. Diário Of. da União. URL http://fld.com.br/catadores/pdf/politica\_residuos\_solidos.pdf
- BRASIL, 1943. Consolidação das Leis Trabalhistas [WWW Document]. Decreto-Lei No. 5.452 10 maio 1943. URL http://www.planalto.gov.br/ccivil\_03/decreto-lei/Del5452.htm
- CEMPRE, 2013. Pesquisa Anual sobre Coleta Seletiva 2012 [WWW Document]. Compromisso Empres. para Reciclagem. URL http://cempre.org.br/ciclosoft/id/4
- CETESB, 2014. Inventário Estadual de Resíduos Sólidos Urbanos 2013. Cia. Ambient. do Estado São Paulo 118.
- CHRISTENSEN, T.H., DAMGAARD, A., ASTRUP, T.F., 2015. Waste to Energy: The

carbon perspective. Waste Manag. World 24-28.

- CIMPAN, C., WENZEL, H., 2013. Energy implications of mechanical and mechanicalbiological treatment compared to direct waste-to-energy waste management. Waste Manag. 33, 1648–1658.
- CNIM, G., 2018. Turnkey Plants Treatment and Recovery Energy from Waste [WWW Document]. CNIM Gr. URL https://cnim.com/en/businesses/treatment-and-recovery-waste#turnkey-plants-energy-recovery-from-waste
- CONAMA, 2012. RESOLUÇÃO Nº 452 de 02 de Julho de 2012 [WWW Document]. URL http://www.mma.gov.br/port/conama/legiabre.cfm?codlegi=676
- CONAMA, 2009. RESOLUÇÃO CONAMA nº 416 de 30 de setembro de 2009 [WWW Document]. Cons. Nac. do Meio Ambient. URL http://www.mma.gov.br/port/conama/legiabre.cfm?codlegi=616
- CONAMA, 1999. RESOLUÇÃO CONAMA nº 258, de 26 de agosto de 1999 [WWW Document]. Cons. Nac. do Meio Ambient. URL http://www.mma.gov.br/estruturas/a3p/ arquivos/36 09102008030342.pdf
- CONAMA, C.N. do M.A., 2002. RESOLUÇÃO CONAMA nº 316, de 29 de outubro de 2002. RESOLUÇÕES DO CONAMA. https://doi.org/10.1017/CBO9781107415324.004
- CUNHA, M.P., 2005. Inserção do setor sucroalcooleiro na matriz energética do Brasil: Uma análise de insumo-produto [WWW Document]. URL http://repositorio.unicamp.br/jspui/handle/REPOSIP/307355
- DEPUTADOS, C. DOS, 2000. Lei no 9991/2000 [WWW Document]. Disposição sobre Realiz. investimentos em Pesqui. e Desenvolv. e em eficiência energética por parte das Empres. Concess. Permis. e autorizadas do Set. Energ. elétrica, e da outras Provid. URL http://www2.camara.leg.br/legin/fed/lei/2000/lei-9991-24-julho-2000-359823normaatualizada-pl.pdf
- EDJABOU, M.E., JENSEN, M.B., GÖTZE, R., PIVNENKO, K., PETERSEN, C., SCHEUTZ, C., ASTRUP, T.F., 2015. Municipal solid waste composition: Sampling methodology, statistical analyses, and case study evaluation. Waste Manag. https://doi.org/10.1016/j.wasman.2014.11.009
- EEA, 2014. Well-being and the environment: Building a resource-efficient and circular economy in Europe. Publications Office of the European Union, Copenhagen/DEN.
- EPA, 1990. Summary of the Pollution Prevention Act 42 U.S.C. §13101 et seq. (1990) [WWW Document]. US Environ. Prot. Agency. URL https://www.epa.gov/lawsregulations/summary-pollution-prevention-act
- EPA, 1976. Laws & Regulations Summary of the Resource Conservation and Recovery, Act 42 U.S.C. §6901 et seq. (1976) [WWW Document]. US Environ. Prot. Agency. URL https://www.epa.gov/laws-regulations/summary-resource-conservation-and-recovery-act
- EPC, E.P. and C., 2000. Directive 2000/76/EC on the Incineration of Waste. Off. J. Eur.
- EPE; MME, 2018. Publicações e Dados Abertos [WWW Document]. Empres. Pesqui. Energética. URL http://www.epe.gov.br/sites-pt/publicacoes-dados-abertos/publicacoes/
- EPE; MME, 2008. Recursos Energéticos: Avaliação Preliminar do Aproveitamento

Energético dos Resíduos Sólidos Urbanos de Campo Grande, MS, Nota Técnica DEN 06/08. Rio de Janeiro/RJ.

- EU, 1991. Standard: EU 91/692/EEC [WWW Document]. URL https://publications.europa.eu/en/publication-detail/-/publication/311f10aa-2eb3-4fcc-9787-36aa83f2fb2d/language-en
- FEAM, 2012. Aproveitamento Energético de Resíduos Sólidos Urbanos; Guia de orientação para governos municipais de Minas Gerais [WWW Document]. Fundação Estadual do Meio Ambient. URL http://www.resol.com.br/cartilhas/aproveitamento energetico de rsu guia feam (2).pdf
- FERRI, G.L., CHAVES, G.L.D., RIBEIRO, G.M., 2014. Análise e localização de centros de armazenamento e triagem de resíduos sólidos urbanos para a rede de logística reversa: Um estudo de caso no município de São Mateus-ES. SciELO 25, 27–42.
- FUNASA, 2010. Programas municipais de coleta seletiva de lixo como fator de sustentabilidade dos sistemas públicos de saneamento ambiental na região metropolitana de São Paulo [WWW Document]. Fundação Nac. da Saúde. URL http://www.funasa.gov.br/site/wp-content/files mf/estudosPesquisas ColetaSeletiva.pdf
- GUILHOTO, J., 2009. Sistema de Matrizes Insumo-Produto (1995 2009) [WWW Document]. Núcleo Econ. Reg. e Urbana da Univ. São Paulo. URL http://www.usp.br/nereus/?fontes=dados-matrizes
- HAKAMI, B.A., 2016. WASTE DISPOSAL AND LANDFILL: INFORMATION NEEDS. Int. J. Civ. Eng. Technol. https://doi.org/10.4236/ajcc.2012.12006
- HAM, G., LEE, D., 2017. Consideration of high-efficient Waste-to-Energy with district energy for sustainable solid waste management in Korea. Energy Procedia 116, 518–526.
- HOORNWEG, D., BHADA-TATA, P., 2012. What a Waste: A Global Review of Solid Waste Management. The World Bank.
- IBAMA, 2016. Relatório Pneumáticos: Resolução Conama nº 416/09: 2016 (ano base 2015) [WWW Document]. Inst. Bras. do Meio Ambient. e dos Recur. Nat. Renov. URL http://ibama.gov.br/phocadownload/pneus/relatoriopneumaticos/ibama-relatoriopneumaticos-2016.pdf
- IBGE, 2017. Indicadores IBGE Sistema Nacional de Índices de Preços ao Consumidor IPNA e INPC. Inst. Bras. Geogr. e Estatística - IBGE. https://doi.org/10.1590/S0100-736X2011000300010
- IBGE, 2013. Perfil dos municípios brasileiros [WWW Document]. Instituto. URL http://www.ibge.gov.br/home/estatistica/economia/perfilmunic/2013/
- IPEA, 2012. Relatório de Pesquisa Diagnóstico dos Resíduos Sólidos Urbanos [WWW Document]. URL http://www.ipea.gov.br/agencia/images/stories/PDFs/relatoriopesquisa/121009\_relatorio residuos solidos urbanos.pdf
- JACOBI, P.R., BESEN, G.R., 2011. Solid Waste Management in São Paulo: The challenges of sustainability. Rev. online Estud. Avançados 71, 135–158.
- JAMASB, T., NEPAL, R., 2010. Issues and options in waste management: A social costbenefit analysis of waste-to-energy in the UK. Resour. Conserv. Recycl. 54, 1341–1352.

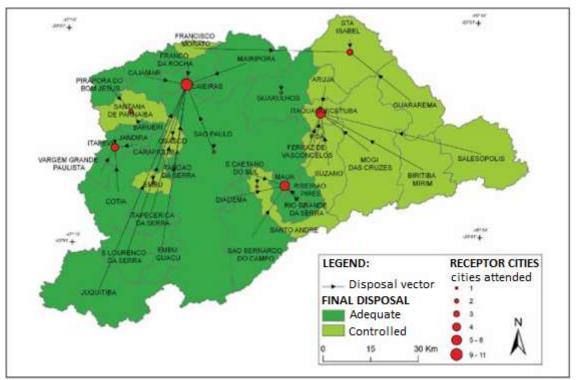
- KHALID, A., ARSHAD, M., ANJUM, M., MAHMOOD, T., DAWSON, L., 2011. The anaerobic digestion of solid organic waste. Waste Manag. https://doi.org/10.1016/j.wasman.2011.03.021
- LENZEN, M., REYNOLDS, C.J., 2014. A Supply-Use Approach to Waste Input-Output Analysis. J. Ind. Ecol. 18, 212–226.
- LEONTIEF, W., 1986. Input Output Economics, Journal of Chemical Information and Modeling. https://doi.org/10.1017/CBO9781107415324.004
- LIMA, J.D., 2012. Modelos de apoio à decisão para alternativas tecnológicas de tratamento de resíduos sólidos urbanos no Brasil. Tese Doutorado. Biblioteca Central da UFPE, Recife/PE.
- LYNN, C.J., Dhir OBE, R.K., GHATAORA, G.S., 2016. Municipal incinerated bottom ash characteristics and potential for use as aggregate in concrete. Constr. Build. Mater. 127, 504–517. https://doi.org/10.1016/j.conbuildmat.2016.09.132
- MARRONE, P. V, Al., E., 2015. Livro Branco da Indústria de Pneus Uma política industrial para o setor [WWW Document]. ANIP. URL http://www.anip.com.br/arquivos/f8201-white-book-versao-final.pdf
- MIEZAH, K., OBIRI-DANSO, K., KÁDÁR, Z., FEI-BAFFOE, B., MENSAH, M., 2015. Municipal solid waste characterization and quantification as a measure towards effective waste management in Ghana. Waste Manag. 46, 15–27.
- MILLER, R.E., BLAIR, P.D., 2009. Input-output analysis: Foundations and extensions, second edition, Input-Output Analysis: Foundations and Extensions, Second Edition. https://doi.org/10.1017/CBO9780511626982
- MME, 2016. Informativo Tarifário Energia Elétrica. Dep. Gestão do Set. Elétrico.
- NAKAMURA, S., KONDO, Y., 2002. Input-Output Analysis of Waste Management. J. Ind. Ecol. 6, 39–63.
- NIXXON, J.D., WRIGHT, D.G., DEY, P.K., GHOSH, S.K., DAVIES, P.A., 2013. A comparative assessment of waste incinerators in the UK. Waste Manag. 33, 2234–2244.
- PESSIN, N., Al., E., 2006. Composição Gravimétrica de Resíduos Sólidos Urbanos: Estudo de caso município de Canela/RS [WWW Document]. Congr. Interam. Ingeniaría Sanit. y Ambient. URL http://www.abes-rs.org.br/qualidade2014/trabalhos/id988.pdf
- PICANÇO, A.R.S., FRANÇA, F.S. de A., CRUZ, L.D.F., SANTOS, L.F., PENA, H.W.A., 2011. Usina geradora de energia elétrica utilizando resíduos sólidos urbanos: a viabilidade para instalação na região metropolitana de Belém – Amazônia-Brasil. Obs. la Econ. Latinoam.
- PIMENTEIRA, C.A.P., 2010. Gestão Integrada de Resíduos Sólidos no Rio de Janeiro: Impactos das decisões dos gestores nas políticas públicas Rio de Janeiro. UFRJ.
- PIMENTEIRA, C.A.P., 2002. Apectos sócio-econômicos da gestão de resíduos sólidos no Rio de Janeiro: Uma Análise Insumo-Produto. UFRJ.
- RFB, 2018. Receita Federal do Brasil [WWW Document]. Ministério da Fazenda. URL http://idg.receita.fazenda.gov.br/
- ROGOFF, M.J., ROSS, D.E., 2016. The future of recycling in the United States. Waste

Manag. Res. 181-183.

- ROLLEMBERG, F., 1991. PL 203/1991 [WWW Document]. Diário Of. da União. URL http://www.camara.gov.br/proposicoesWeb/fichadetramitacao?idProposicao=15158
- ROSA, P. et al., TOMALSQUIM, M.T., 2003. Geração de Energia a partir de Resíduos de Lixo e Óleos Vegetais, in: Interciência (Ed.), Fontes Renováveis de Energia No Brasil. CENERGIA, Rio de Janeiro, RJ, pp. 93–161.
- RUOFEI, L., SIBEI, L., 2010. Municipal Solid Waste in China [WWW Document]. URL http://www.rudar.ruc.dk/handle/1800/5513
- SANTOS, G.G.D. dos, 2011. Analyzes and Perspectives of Urban Solid Waste Alternatives: The case of incineration and landfill's disposal. Acad. Master's degree Energ. Plan. Depository library, Rio de Janeiro/RJ.
- SANTOS, I.F.S. Dos, BARROS, R.M., TIAGO FILHO, G.L., 2016. Electricity generation from biogas of anaerobic wastewater treatment plants in Brazil: An assessment of feasibility and potential. J. Clean. Prod. https://doi.org/10.1016/j.jclepro.2016.03.072
- SEADE, 2011. Perfil da Região Metropolitana de São Paulo [WWW Document]. Sist. Estadual Análise Dados. URL http://www.seade.gov.br/banco-de-dados/
- SEEG, 2014. Sistema de Estimativa de Emissões de Gases de Efeito Estufa Análise da Evolução das emissões de GEE no Brasil (1970-2014) [WWW Document]. URL http://seeg.eco.br/wp-content/uploads/2016/09/WIP-16-09-02-RelatoriosSEEG-Sintese.pdf
- SEMASA, 2008. Santo Andre's Municipal Solid Waste Gravimetric Characterization [WWW Document]. Secr. do Meio Ambient. St. André. URL http://www.servicos.semasa.sp.gov.br/admin/biblioteca/docs/PDF/relat\_gravimetric2008 \_vf.pdf
- SEMESP, 2014. Anuário Estatístico de Energéticos por Município no Estado de São Paulo -2013 [WWW Document]. Secr. Energ. e Mineração do Estado São Paulo. URL http://dadosenergeticos.energia.sp.gov.br/portalcev2/intranet/BiblioVirtual/diversos/anua rio energetico municipio.pdf
- US EPA, 2016. Assessing Trends in Material Generation, Recycling, Composting, Combustion with Energy Recovery and Landfilling in the United States. Adv. Sustain. Mater. Manag. 2014 fact sheet.
- VIEIRA, A.C.A., 2011. Aproveitamento Energético dos Resíduos Sólidos Urbanos: Desafios e Tecnologias. Mestr. Acadêmico em Desenvolv. e Meio Ambient. BICEN e PRODEMA.
- WEKA, 2013. 240 Million MBT and Waste to Energy Plant Planned for Belfast [WWW Document]. Waste Manag. World. URL https://waste-management-world.com/a/240-million-mbt-and-waste-to-energy-plant-planned-for-belfast
- WHEELER, P., 2006. Future conditional: The role of MBT in recovering energy from waste [WWW Document]. Waste Manag. World. URL https://waste-management-world.com/a/future-conditional-the-role-of-mbt-in-recovering-energy-from-waste
- YILI, L., PEIXUAN, X., JIANGUO, L., 2017. Environmental performance evaluation of different municipal solid waste management scenarios in China. Resour. Conserv.

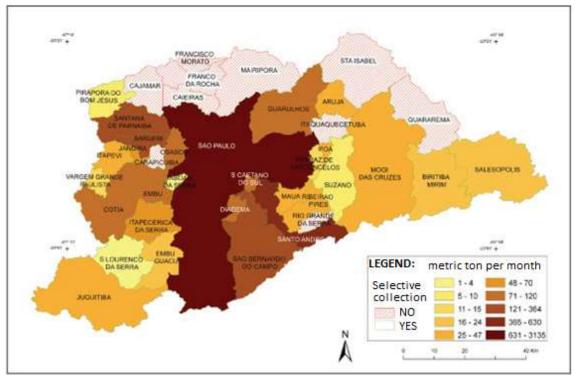
Recycl. 125, 98-106.

- YUNMEI, W., JINGYUAN, L., GUOTAO, L., YOUCAI, Z., TAKAYUKI, S., 2017. Environmental challenges impeding the composting of biodegradable municipal solid waste: A critical review. Resour. Conserv. Recycl. 122, 51–65.
- ZANTA, V., FERREIRA, C.F.A., 2003. Resíduos Sólidos Urbanos: Aterro sustentável por municípios de pequeno porte [WWW Document]. URL https://social.stoa.usp.br/articles/0016/2659/resenha1\_trabalho\_1\_de\_SMC\_-\_professor\_Paulo\_Almeida.pdf
- ZHANG, D.Q., TAN, S.K., GERSBERG, R.M., 2010. Municipal Solid Waste Management in China: Status, Problems and Challenges. J. Environ. Manage. 1623–1633.



## APPENDIX A. Current MSW organization at MRSP

**Figure A 1.** MSW disposal's map at MRSP adapted from JACOBI (JACOBI and BESEN, 2011) – color



**Figure A 2.** Recyclables collection's map at MRSP adapted from JACOBI (JACOBI and BESEN, 2011) - color

## APPENDIX B. MSW's gravimetric composition at MRSP

	WET	DRY						
MATERIAL	76%	24%						
	GRAVIMETRY (%)							
Aluminum	0.46	1.2						
Rubber	0.12	1.22						
Styrofoam	0.27	0.21						
Natural wood	0.71	0.07						
Processed wood	0.13	0						
Metal	0.58	1.59						
Paper	4.97	16.14						
Cardboard	2.58	10.71						
PET bottles	0.77	1.88						
Various plastic	1.11	4.05						
PP bags, vessels, and packages	0.86	1.15						
PE bags, vessels, and packages	28.73	24.39						
Fabric	3.82	4.68						
Tetrapack® packages	1.18	3.79						
Glass	0.47	2.82						
Organics	49.9	19.7						
Other (e.g., lamps, batteries, electronics)	3.34	6.4						
MSW's TOTAL COMPOSITION (%)	100.00	100.00						

#### Table B 1. Gravimetric composition to the MSW at MRSP

Source: Author's estimate based on SEMASA (SEMASA, 2008) and IPEA's data (IPEA, 2012)

#### Table B 2. Potential sorting of the MSW at MRSP

	21,3	57.44			
MRSP's MSW TOTAL	WTE	SORTING			
(metric ton per day)	33%	67%			
(metric ton per day)	7,153.29	14,204.15			
	MATE	RIALS			
Aluminum	0.00	136.18			
Rubber	19.48	62.53			
Styrofoam	43.83	10.76			
Natural wood	115.24	3.59			
Processed wood	21.10	0.00			
Metal	0.00	175.64			
Paper	806.71	827.30			
Cardboard	418.78	548.97			
PET bottles	124.98	96.36			
Various plastic	180.17	207.59			
PP bags, vessels, and packages	139.59	58.95			
PE bags, vessels and packages	4,663.35	1,250.18			
Fabric	620.05	239.89			
Tetrapack® packages	0.00	385.80			
Glass	0.00	220.84			
Organics	0.00	9,109.37			
Other (e.g., lamps, batteries, electronics)	0.00	870.19			

(\*) Considered wet by WTE heating and aerobic process **Source:** Author's potential estimate based on **Table B 1**.

#### Table B 3. Lower calorific values for wet components in the MSW

MATERIAL	Humidity (%)	LCV (kcal per kg)
Organic	66	712
Plastics	17	8,193
Paper or cardboard	21	2,729
Fabric or leather	36	1,921
Wood	25	2,490
Rubber	5	8,633

Source: The World Bank (HOORNWEG and BHADA-TATA, 2012), FEAM (FEAM, 2012) and NIXXON (NIXXON et al., 2013)

	FRACTION								
		33%							
MSW's COMPONENT	7,153.29								
	metric ton per	Composition	LCV						
	day	(%)	(kcal per kg)						
Aluminum	0.00	0.00%	0.00						
Rubber	19.48	0.27%	23.51						
Styrofoam	43.83	0.61%	50.20						
Natural wood	115.24	1.61%	40.12						
Processed wood	21.10	0.29%	7.35						
Metal	0.00	0.00%	0.00						
Paper	806.71	11.28%	307.76						
Cardboard	418.78	5.85%	159.76						
PET bottles	124.98	1.75%	143.15						
Various plastic	180.17	2.52%	206.36						
PP bags, vessels and packages	139.59	1.95%	159.88						
PE bags, vessels and packages	4,663.35	65.19%	5,341.16						
Fabric	620.05	8.67%	166.51						
Tetrapack® packages	0.00	0.00%	0.00						
Glass	0.00	0.00%	0.00						
Organics	0.00	0.00%	0.00						
Other (lamps, batteries, electronics)	0.00	0.00%	0.00						
MRSP's MSW TOTAL	7,153.29	100.00%	6,605.75						

## Table B 4. The energetic potential for the RDF

Source: Author's potential estimate based on Table B 2 and Table B 3

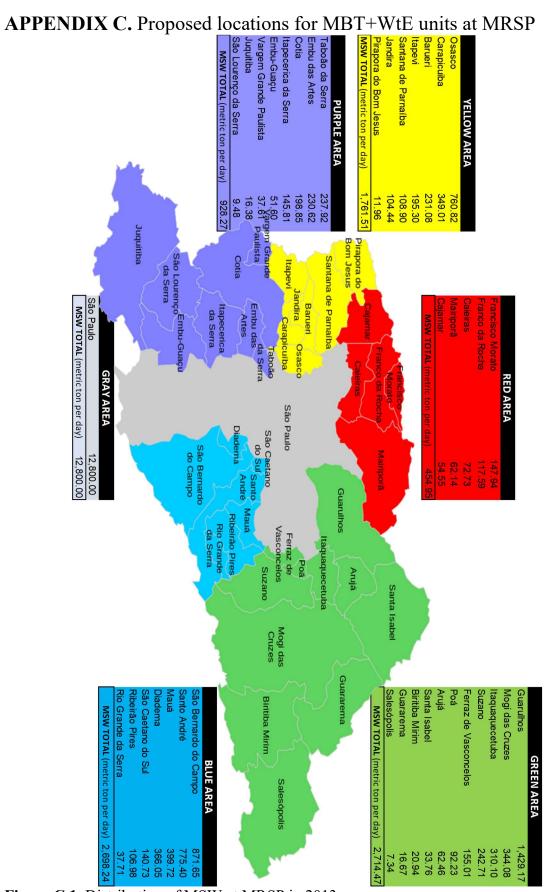


Figure C 1. Distribution of MSW at MRSP in 2013 Source: Author's draft based on CETESB's data (CETESB, 2014) - color

# APPENDIX D. Human resources' expenses

TYPE OF EXPENSE	REFERENCE	VALUE
Sorting salary	2014 national's minimum wage	R\$ 1,448.00
Softing salary	(R\$ 724 or USD 309)	USD 618.80
Transport voucher	R\$ 10 (USD 4.30) per day	R\$ 220.00
	10 (00D 4.00) per day	USD 94.02
Transport voucher discount	6% of the employee's salary	-R\$ 86.88
	eve er ale employee e calary	-USD 37.13
Meal voucher	R\$ 15 (USD 6.41) per day	R\$ 330.00
	,	USD 141.03
Healthcare	Market offer	R\$ 150.00
		USD 64.10
Another benefit	-	R\$ 0.00
		USD 0.00
13 <sup>th</sup> salary provisioning	CLT (BRASIL, 1943)	R\$ 120.67
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		USD 51.57
Vacation provisioning	CLT	R\$ 120.67
		USD 51.57 R\$ 40.22
1/3 of vacation provisioning	CLT	USD 17.19
		R\$ 115.84
FGTS (Service fund)	CLT	USD 49.50
		R\$ 22.52
FGTS (13 <sup>th</sup> salary plus vacation) provisioning	CLT	USD 9.62
		R\$ 289.60
INSS (Social security)	20.00%	USD 123.76
	01.7	R\$ 56.31
INSS (13th salary plus vacation) provisioning	CLT	USD 24.06
Employee cost	R\$ 2,826.95 USD 1,208.10	
Factor (Employee cost/salary)	1.95	

### Table D 1. The breakdown of monthly expenses with HR

Source: Author's compilations and calculations

## APPENDIX E. Energy Content, Recyclability, and Market of the Waste

MATERIAL	Humidity (%)	LCV (kcal per kg)
Organic	66	712
Plastics	17	8,193
Paper or cardboard	21	2,729
Fabric or leather	36	1,921
Wood	25	2,490
Rubber	5	8,633

 Table E 1. Lower calorific values for components in wet MSW

Source: CEMIG-FEAM (FEAM, 2012)

#### Table E 2. The energetic potential for the fraction destined to the heat treatment

	FRACTION									
		33%								
MSW's COMPONENT	7,153.29									
	metric ton per day	Composition	LCV							
		(%)	(kcal per kg)							
Aluminum	0.00	0.00%	0.00							
Rubber	19.48	0.27%	23.51							
Styrofoam	43.83	0.61%	50.20							
Natural wood	115.24	1.61%	40.12							
Processed wood	21.10	0.29%	7.35							
Metal	0.00	0.00%	0.00							
Paper	806.71	11.28%	307.76							
Cardboard	418.78	5.85%	159.76							
PET bottles	124.98	1.75%	143.15							
Various plastic	180.17	2.52%	206.36							
PP bags, vessels and packages	139.59	1.95%	159.88							
PE bags, vessels and packages	4,663.35	65.19%	5,341.16							
Fabric	620.05	8.67%	166.51							
Tetrapack <sup>®</sup> packages	0.00	0.00%	0.00							
Glass	0.00	0.00%	0.00							
Organics	0.00	0.00%	0.00							
Other (lamps, batteries, electronics)	0.00	0.00%	0.00							
MRSP's MSW TOTAL	7,153.29	100.00%	6,605.75							

Source: Author's potential estimated based on SEMASA's data (SEMASA, 2008)

#### Table E 3. Techno-Economic Factors to use recyclables (based on 2009's prices)

PRODUCT	Value for Recyclables	Value for "Virgin"	% of Recyclable	% of "Virgin"	r Factor
Waste Treatment (R\$/t) <sup>a</sup>	80	80	100	-	1.00
Aluminum (R\$/t) <sup>b</sup>	2,800	3,279	100	-	0.85
Glass (R\$/t) <sup>c</sup>	180	220	100	-	0.82
Paper (R\$/t) <sup>d</sup>	510	2,737	50	50	0.19
Plastic (R\$/t)e	1,700	3,400	60	40	0.75
Organic Compost (R\$/t)f	125	725	80	20	0.69
Eletricity (R\$/MWh) <sup>g</sup>	197	233	100	-	0.85

Source: Author's compilation based on following references:

a) ABRELPE (ABRELPE, 2016); b) ABAL (ABAL, 2016); c) ABIVIDRO (ABIVIDRO et al., 2016); d) ABTCP (ABTCP, 2016); e) CEMPRE (CEMPRE, 2013); f) AGROLINK (AGROLINK, 2016) e g) ANEEL (ANEEL, 2013)

# APPENDIX F. Regional Direct and Indirect Effects

## Table F 1. Direct and Indirect effects

2013's SECTORS OF THE ECONOMY		politan 1 of São MRSP)		São Paulo ate	Rest of	f Brazil	Rest of Brazil		
	Direct Effect	Indirect Effect	Direct Effect	Indirect Effect	Direct Effect	Indirect Effect	Direct Effect	Indirect Effect	
(S0) MBT+WtE	100.0%	0.0%	-	-	-	-	100.0%	0.0%	
(S1) Agriculture, Forestry and Forestry	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S2) Livestock	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S3) Oil & Gas	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S4) Iron ore	0.3%	99.7%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S5) Other from Extractive Industry	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S6) Food and Beverage (S7) Products from Smoke (Tobacco)	0.0%	100.0% 99.7%	0.2%	99.8% 100.0%	0.0%	100.0% 100.0%	0.0%	100.0%	
(S8) Textiles	0.3%	100.0%	0.0%	100.0%	0.6%	99.4%	0.0%	100.0%	
(S9) Articles and accessories of Clothing	2.2%	97.8%	1.0%	99.0%	0.0%	100.0%	0.0%	100.0%	
(S10) Leather Goods and Footwear	0.1%	99.9%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S11) Wood Products - except Furniture	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S12) Cellulose and Paper Products	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S13) Newspapers, Magazines and Discs	0.1%	99.9%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S14) Petroleum Refining and Coke	0.7%	99.3%	0.5%	99.5%	0.1%	99.9%	0.0%	100.0%	
(S15) Alcohol	0.4%	99.6%	0.5%	99.5%	0.0%	100.0%	0.0%	100.0%	
(S16) Chemical Products	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S17) Resins and Elastomers Production	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S18) Pharmaceutic Products	0.2%	99.8%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S19) Agricultural Defensive Agents	0.0%	100.0%	0.0%	100.0%	0.1%	99.9%	0.0%	100.0%	
(S20) Perfumery, Health and Cleaning	1.9%	98.1%	0.8%	99.2%	0.0%	100.0%	0.0%	100.0%	
(S21) Paints, Varnishes and Lacquers	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S22) Products from various Chemicals	0.0%	100.0%	0.0%	100.0%	0.1%	99.9%	0.0%	100.0%	
(S23) Rubber and Plastic Articles	1.3%	98.7%	0.3%	99.7%	0.0%	100.0%	0.0%	100.0%	
(S24) Cement	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S25) Other Products from Non-Metallic Minerals	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S26) Steel Production and Derivatives	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S27) Metallurgy of Non-Ferrous Metals	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S28) Metal Products - except Machines and Appliances	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S29) Machines and Appliances - including Maintenance and Repairs	0.1%	99.9%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S30) Household Appliances	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S31) Office Machines and Computing Devices	0.0%	100.0%	0.0%	100.0%	0.1%	99.9%	0.0%	100.0%	
(S32) Machines, Devices and Electric Materials	0.9%	98.8%	0.4%	99.6%	0.0%	100.0%	0.0%	100.0%	
(S33) Electronic Materials and Communication Appliances	0.9%	99.1%	0.2%	99.8% 99.9%	0.0%	100.0%	0.0%	100.0%	
(S34) Devices, Medical instruments (S35) Passenger cars and utilities	0.0%	100.0% 100.0%	1.9%	99.9% 98.1%	0.0%	100.0% 100.0%	0.0%	100.0%	
(S36) Trucks and Buses	0.0%	100.0%	0.0%	100.0%	0.0%	99.9%	0.0%	100.0%	
(S37) Parts and accessories for automobiles	6.0%	94.0%	1.3%	98.7%	0.1%	100.0%	0.0%	100.0%	
(S38) Other Appliances for Transport	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S39) Furniture and Other Products from diverse Industries	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S40) Electricity, Gas, Water, Sewage and Urban Cleaning	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S41) Building	0.8%	99.2%	0.1%	99.9%	0.0%	100.0%	0.0%	100.0%	
(S42) Commerce	1.8%	98.2%	0.1%	99.9%	0.1%	99.9%	0.0%	100.0%	
(S43) Transport, Storage and Mail	0.6%	99.4%	0.2%	99.8%	0.0%	100.0%	0.0%	100.0%	
(S44) Information Services	0.3%	99.7%	0.1%	99.9%	0.0%	100.0%	0.0%	100.0%	
(S45) Financial Intermediation and Insurance	0.2%	99.8%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S46) Estate Services and Rent	0.3%	99.7%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S47) Maintenance and Repair Services	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S48) Housing and Food Services	0.6%	99.4%	0.1%	99.9%	0.0%	100.0%	0.0%	100.0%	
(S49) Services for Companies	0.9%	99.1%	0.1%	99.9%	0.0%	100.0%	0.0%	100.0%	
(S50) Commercial Education	0.2%	99.8%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S51) Commercial Health	0.4%	99.6%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S52) Services for Families and Associative	1.7%	98.3%	0.3%	99.7%	0.0%	0.0%	0.0%	100.0%	
(S53) Domestic Services	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S54) Public Education	1.5%	98.5%	0.1%	99.9%	0.0%	100.0%	0.0%	100.0%	
(S55) Public Health	0.9%	99.1%	0.1%	99.9%	0.0%	100.0%	0.0%	100.0%	
(S56) Public Administration and Social Security	2.0%	98.0%	0.1%	99.9%	0.0%	100.0%	0.0%	100.0%	
(S57) Non-Metallic Minerals Extraction	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S58) Production of Paper, Cardboard and their Products	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S59) Production of Glass and their Products	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S60) Aluminum Metallurgy	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S61) Electricity Production (Oil based)	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	
(S62) Urban Cleaning Services	2.8% 1.0%	97.2% 99.0%	0.0% 0.1%	100.0% 99.9%	0.2%	99.8% 100.0%	0.1%	99.9% 99.8%	

# APPENDIX G. Impacts over GDP

## Table G 1. Gross Domestic Product (GDP)

	Metropo	litan Region o ∆GD		(MRSP)		Rest of Sao P				Rest of E ∆GD				BRAZ ∆ GD		
2013's SECTORS OF THE ECONOMY	R\$ million	USD million	Sector relevance	Economy relevance	R\$ million	USD million	Sector relevance	Economy relevance	R\$ million	USD million	Sector relevance	Economy relevance	R\$ million	USD million	Sector relevance	Economy relevance
(S0) MBT+WtE	3,210	1,372	100.0%	169.1%		-	-	-	-	-	-		3,210	1,372	100.0%	-88.5%
(S62) Urban Cleaning Services	-493.28	-210.81	-49.8%	-26.0%	-0.46	-0.20	-0.1%	0.0%	-3.59	-1.54	-0.1%	0.1%	-497.34	-212.54	-8.2%	13.7%
(SS8) Production of Paper, Cardboard and their Products	-265.39	-113.42	-5.2%	-14.0%	-280.33	-119.80	-4.6%	29.0%	-563.40	-240.77	-6.1%	12.3%	-1,109.12	-473.98	-5.4%	30.6%
(\$45) Financial Intermediation and Insurance	-147.86	-63.19	-0.1%	-7.8%	-49.91	-21.33	-0.1%	5.2%	-213.86	-91.39	-0.1%	4.7%	-411.63	-175.91	-0.1%	11.3%
(S17) Resins and Elastomers Production	-95.11	-40.65	-5.8%	-5.0%	-59.36	-25.37	-6.1%	6.1%	-230.89	-98.67	-6.1%	5.1%	-385.36	-164.68	-6.0%	10.6%
(S43) Transport, Storage and Mail	-80.16	-34.26	-0.2%	-4.2%	-64.02	-27.36	-0.2%	6.6%	-311.76	-133.23	-0.2%	6.8%	-455.94	-194.85	-0.2%	12.6%
(S49) Services for Companies	-74.31	-31.76	-0.1%	-3.9%	-34.77	-14.86	-0.1%	3.6%	-163.45	-69.85	-0.1%	3.6%	-272.54	-116.47	-0.1%	7.5%
(544) Information Services	-51.12	-21.85	-0.1%	-2.7%	-13.08	-5.59	-0.1%	1.4%	-77.40	-33.08	-0.1%	1.7%	-141.60	-60.51	-0.1%	3.9%
(S61) Electricity Production (Oil based)	-47.33	-20.23	-256.8%	-2.5%	-23.96	-10.24	-256.8%	2.5%	-396.36	-169.38	-259.0%	8.7%	-467.65	-199.85	-258.6%	12.9%
(S23) Rubber and Plastic Articles	-39.49	-16.88	-0.4%	-2.1%	-17.16	-7.33	-0.2%	1.8%	-37.29	-15.94	-0.2%	0.8%	-93.94	-40.15	-0.3%	2.6%
(S14) Petroleum Refining and Coke	-34.65	-14.81	-0.8%	-1.8%	-83.78	-35.81	-0.6%	8.7%	-234.47	-100.20	-0.5%	5.1%	-352.90	-150.81	-0.6%	9.7%
(S16) Chemical Products	-30.28	-12.94	-0.9%	-1.6%	-39.83	-17.02	-0.8%	4.1%	-217.54	-92.97	-1.3%	4.8%	-287.65	-122.93	-1.1%	7.9%
(542) Commerce	-25.76	-11.01	0.0%	-1.4%	-56.82	-24.28	-0.1%	5.9%	-361.33	-154.42	-0.1%	7.9%	-443.91	-189.71	-0.1%	12.2%
(546) Estate Services and Rent	-22.78	-9.74	0.0%	-1.2%	-11.37	-4.86	0.0%	1.2%	-75.72	-32.36	0.0%	1.7%	-109.87	-46.95	0.0%	3.0%
(S28) Metal Products - except Machines and Equipments	-22.48	-9.61	-0.2%	-1.2%	-20.63	-8.82	-0.2%	2.1%	-37.17	-15.89	-0.2%	0.8%	-80.29	-34.31	-0.2%	2.2%
(S22) Products from various Chemicals	-21.75	-9.29	-0.8%	-1.1%	-17.29	-7.39	-0.8%	1.8%	-24.43	-10.44	-0.9%	0.5%	-63.47	-27.12	-0.8%	1.7%
(S32) Machines, Devices and Electric Materials	-15.58	-6.66	-0.2%	-0.8%	-10.23	-4.37	-0.2%	1.1%	-15.17	-6.48	-0.1%	0.3%	-40.97	-17.51	-0.2%	1.1%
(S56) Public Administration and Social Security	-14.03	-6.00	0.0%	-0.7%	-3.73	-1.59	0.0%	0.4%	-39.03	-16.68	0.0%	0.9%	-56.79	-24.27	0.0%	1.6%
(S13) Newspapers, Magazines and Discs	-12.46	-5.33	-0.1%	-0.7%	-4.31	-1.84	-0.1%	0.4%	-20.32	-8.68	-0.1%	0.4%	-37.09	-15.85	-0.1%	1.0%
(S52) Services for Families and Associatives	-12.38	-5.29	-0.1%	-0.7%	-3.32 -15.99	-1.42	0.0%	0.3%	-21.03	-8.99	0.0%	0.5%	-36.73 -48.52	-15.70	0.0%	1.0%
(S29) Machines and Equipments - including Maintanance and Repairs																
(S21) Paints, Varnishes and Lacquers (S20) Perfumery, Health and Cleaning	-9.79	-4.18 -4.02	-0.3%	-0.5%	-3.85	-1.64	-0.3%	0.4%	-11.33	-4.84	-0.4%	0.2%	-24.96 -40.48	-10.67 -17.30	-0.3%	0.7%
(S20) Pertumery, Health and Cleaning (S19) Agricultural Defensive Agents	-9.41	-4.02	-0.2%	-0.5%	-3.09	-1.32	-0.1%	0.3%	-27.99 -11.58	-11.96	-0.4%	0.6%	-40.48	-17.30	-0.3%	1.1%
(SS7) Non-Metallic Minerals Extraction	-6.05	-2.58	-0.3%	-0.3%	-5.82	-2.49	-0.3%	1.2%	-11.58 -287.85	-4.95	-0.5%	6.3%	-23.44	-10.02	-0.4%	8.4%
(SS) Textiles	-4.97	-2.12	-3.0%	-0.3%	-11.40	-4.90	-0.1%	0.9%	-287.85	-123.01	-4.6%	0.4%	-32.35	-130.03	-4.5%	0.9%
(S26) Steel Production and Derivatives	-4.65	-2.02	-0.1%	-0.2%	-6.25	-3.52	-0.1%	0.5%	-19.39	-8.29	-0.1%	1.1%	-52.35	-15.82	-0.1%	1.7%
(S41) Building	-4.65	-1.99	-0.1%	-0.2%	-4.72	-2.02	0.0%	0.5%	-14.37	-21.74	-0.2%	0.3%	-21.16	-25.75	-0.2%	0.6%
(SS) Other from Extractive Industry	-4.45	-1.90	-12.3%	-0.2%	-2.54	-0.44	-10.5%	0.1%	-14.37	-0.14	-4.7%	5.7%	-263.53	-9.04	-4.8%	7.3%
(S48) Housing and Food Services	-4.04	-1.72	0.0%	-0.2%	-2.05	-0.44	0.0%	0.1%	-258.40	-110.45	-4.7%	0.2%	-203.55	-112.62	-4.8%	0.4%
(S18) Pharmaceutic Products	-2.81	-1.20	0.0%	-0.1%	-1.00	-0.43	0.0%	0.1%	-3.90	-1.67	0.0%	0.1%	-7.71	-3.30	0.0%	0.2%
(S12) Cellulose and Paper Products	-2.54	-1.09	-0.5%	-0.1%	-2.97	-1.27	-0.6%	0.3%	-21.65	-9.25	-0.7%	0.5%	-27.16	-11.61	-0.6%	0.7%
(S27) Metallurgy of Non-Ferrous Metals	-2.44	-1.04	-0.1%	-0.1%	-1.28	-0.55	-0.1%	0.1%	-5.21	-2.22	-0.1%	0.1%	-8.93	-3.82	-0.1%	0.2%
(S9) Articles and accessories of Clothing	-2.26	-0.96	0.0%	-0.1%	-0.60	-0.26	0.0%	0.1%	-1.68	-0.72	0.0%	0.0%	-4.53	-1.94	0.0%	0.1%
(S37) Parts and accessories for automotives	-2.26	-0.96	0.0%	-0.1%	-4.66	-1.99	0.0%	0.5%	-10.08	-4.31	-0.1%	0.2%	-17.00	-7.26	-0.1%	0.5%
(S60) Aluminum Metallurgy	-1.57	-0.67	-0.2%	-0.1%	-2.67	-1.14	-0.1%	0.3%	-4.29	-1.83	-0.1%	0.1%	-8.52	-3.64	-0.1%	0.2%
(S6) Food and Beverage	-1.18	-0.50	0.0%	-0.1%	-5.83	-2.49	0.0%	0.6%	-10.88	-4.65	0.0%	0.2%	-17.89	-7.64	0.0%	0.5%
(S39) Furnitures and Other Products from diverse Industries	-1.15	-0.49	0.0%	-0.1%	-1.90	-0.81	0.0%	0.2%	-5.08	-2.17	0.0%	0.1%	-8.13	-3.47	0.0%	0.2%
(S3) Oil & Gas	-1.11	-0.48	-0.2%	-0.1%	-2.11	-0.90	-0.2%	0.2%	-199.03	-85.06	-0.4%	4.4%	-202.26	-86.43	-0.4%	5.6%
(S51) Commercial Health	-0.93	-0.40	0.0%	0.0%	-0.71	-0.30	0.0%	0.1%	-4.05	-1.73	0.0%	0.1%	-5.69	-2.43	0.0%	0.2%
(S25) Other Products from Non-Metallic Minerals	-0.88	-0.38	-0.1%	0.0%	-2.67	-1.14	-0.1%	0.3%	-15.43	-6.59	-0.1%	0.3%	-18.97	-8.11	-0.1%	0.5%
(559) Production of Glass and their Products	-0.71	-0.31	0.0%	0.0%	-0.34	-0.14	0.0%	0.0%	-0.45	-0.19	0.0%	0.0%	-1.50	-0.64	0.0%	0.0%
(S50) Commercial Education	-0.66	-0.28	0.0%	0.0%	-0.59	-0.25	0.0%	0.1%	-2.66	-1.14	0.0%	0.1%	-3.92	-1.67	0.0%	0.1%
(S1) Agriculture, Silviculture and Forestry	-0.59	-0.25	-0.3%	0.0%	-24.82	-10.61	-0.1%	2.6%	-217.76	-93.06	-0.1%	4.8%	-243.18	-103.92	-0.1%	6.7%
(S11) Wood Products - except Furnitures	-0.42	-0.18	-0.1%	0.0%	-1.21	-0.52	-0.1%	0.1%	-6.83	-2.92	-0.1%	0.1%	-8.46	-3.62	-0.1%	0.2%
(536) Trucks and Buses	-0.38	-0.16	0.0%	0.0%	-0.02	-0.01	0.0%	0.0%	-0.11	-0.05	0.0%	0.0%	-0.51	-0.22	0.0%	0.0%
(S31) Office Machines and Computing Devices	-0.33	-0.14	0.0%	0.0%	-0.82	-0.35	0.0%	0.1%	-0.63	-0.27	0.0%	0.0%	-1.78	-0.76	0.0%	0.0%
(S33) Electronic Materials and Communication Equipments	-0.31	-0.13	0.0%	0.0%	-0.71	-0.30	0.0%	0.1%	-1.65	-0.70	0.0%	0.0%	-2.67	-1.14	0.0%	0.1%
(S15) Alcohol	-0.18	-0.08	-0.2%	0.0%	-16.56	-7.08	-0.2%	1.7%	-9.64	-4.12	-0.2%	0.2%	-26.38	-11.27	-0.2%	0.7%
(S54) Public Education	-0.15	-0.07	0.0%	0.0%	-0.14	-0.06	0.0%	0.0%	-0.46	-0.20	0.0%	0.0%	-0.75	-0.32	0.0%	0.0%
(S24) Cement	-0.12	-0.05	0.0%	0.0%	-0.37	-0.16	0.0%	0.0%	-2.32	-0.99	0.0%	0.1%	-2.82	-1.21	0.0%	0.1%
(S38) Other Equipments for Transport	-0.12	-0.05	0.0%	0.0%	-0.42	-0.18	0.0%	0.0%	-1.26	-0.54	0.0%	0.0%	-1.81	-0.77	0.0%	0.0%
(S10) Leather Goods and Footwear	-0.02	-0.01	0.0%	0.0%	-0.15	-0.06	0.0%	0.0%	-0.71	-0.30	0.0%	0.0%	-0.88	-0.38	0.0%	0.0%
(S2) Livestock	-0.01	0.00	0.0%	0.0%	-0.85	-0.36	0.0%	0.1%	-12.12	-5.18	0.0%	0.3%	-12.98	-5.55	0.0%	0.4%
(54) Iron ore	-0.01	0.00	-0.1%	0.0%	0.00	0.00	0.0%	0.0%	-15.17	-6.48	-0.1%	0.3%	-15.18	-6.49	-0.1%	0.4%
(SSS) Public Health	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%	-0.01	0.00	0.0%	0.0%
(S7) Products from Smoke (Tobacco)	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%
(S53) Domestic Services	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%
(S34) Devices, Medical instruments	0.04	0.02	0.0%	0.0%	-0.53	-0.23	0.0%	0.1%	-0.88	-0.38	0.0%	0.0%	-1.37	-0.58	0.0%	0.0%
(S35) Passenger cars and utilities	0.35	0.15	0.0%	0.0%	-0.01	0.00	0.0%	0.0%	-0.09	-0.04	0.0%	0.0%	0.26	0.11	0.0%	0.0%
(S30) Household Appliances	0.39	0.17	0.0%	0.0%	0.20	0.08	0.0%	0.0%	-0.09	-0.04	0.0%	0.0%	0.50	0.22	0.0%	0.0%
(S40) Electricity, Gas, Water, Sewage and Urban Cleaning	18.14	7.75	0.1%	1.0%	-34.39	-14.70	-0.2%	3.6%	-236.45	-101.05	-0.2%	5.2%	-252.70	-107.99	-0.2%	7.0%
(547) Maintanance and Repair Services	261.84	111.90	2.7%	13.8%	-4.55	-1.95	-0.1%	0.5%	-15.88	-6.78	-0.1%	0.3%	241.41	103.17	0.5%	-6.7%
TOTA	L 1,898.75	811.43	0.2%	100.0%	-965.63	-412.66	-0.2%	100.0%	-4,562.25	-1,949.68	-0.1%	100.0%	-3,629.13	-1,550.91	-0.1%	100.0%

## 104

# APPENDIX H. Impacts over Production Value

## Table H 1. Production Value (X)

		litan Region o	f Sao Paulo	(MRSP)		Rest of Sao Pa	aulo state			Rest of E	Brazil			BRAZ	L	
2013'S SECTORS OF THE ECONOMY		PRODUCTION		,		PRODUCTION	VALUE (X)		4	PRODUCTION			4	A PRODUCTION VALUE (X		
2013'S SECTORS OF THE ECONOMY	R\$ million	USD million	Sector relevance	Economy relevance	R\$ million	USD million	Sector relevance	Economy relevance	R\$ million	USD million	Sector relevance	Economy relevance	R\$ million	USD million	Sector relevance	Economy
(S0) MBT+WtE	3,594	1,536	100.0%	-9215.6%		-	-	-	-	-	-		3,594	1,536	100.0%	-23.4%
(S62) Urban Cleaning Services	-1,021.15	-436.39	-49.8%	2618.4%	-0.95	-0.41	-0.1%	0.0%	-7.50	-3.21	-0.1%	0.1%	-1,029.60	-440.00	-8.1%	6.7%
(S58) Production of Paper, Cardboard and their Products	-785.51	-335.69	-5.2%	2014.2%	-829.70	-354.57	-4.6%	29.6%	-1,720.56	-735.28	-6.1%	13.8%	-3,335.77	-1,425.54	-5.5%	21.7%
(S17) Resins and Elastomers Production	-517.94	-221.34	-5.8%	1328.1%	-323.24	-138.14	-6.1%	11.5%	-1,318.76	-563.57	-6.1%	10.5%	-2,159.93	-923.05	-6.0%	14.1%
(S45) Financial Intermediation and Insurance	-235.89	-100.81	-0.1%	604.9%	-79.63	-34.03	-0.1%	2.8%	-342.72	-146.46	-0.1%	2.7%	-658.24	-281.30	-0.1%	4.3%
(S61) Electricity Production (Oil based)	-162.43	-69.41	-256.8%	416.5%	-82.25	-35.15	-256.8%	2.9%	-1,454.45	-621.56	-259.0%	11.6%	-1,699.13	-726.12	-258.6%	11.1%
(S43) Transport, Storage and Mail	-154.81	-66.16	-0.2%	397.0%	-123.64	-52.84	-0.2%	4.4%	-640.15	-273.57	-0.2%	5.1%	-918.60	-392.57	-0.2%	6.0%
(S14) Petroleum Refining and Coke	-143.96	-61.52 -57.45	-0.8% -0.1%	369.1% 344.7%	-348.12 -62.90	-148.77 -26.88	-0.6% -0.1%	12.4% 2.2%	-948.10 -262.18	-405.17	-0.5%	7.6%	-1,440.17 -459.52	-615.46 -196.38	-0.6% -0.1%	9.4% 3.0%
(S49) Services for Companies (S16) Chemical Products	-134.44	-57.45	-0.1%	344.7%	-62.90	-26.88	-0.1%	2.2%	-262.18	-112.04	-0.1%	7.3%	-459.52	-196.38	-0.1%	3.0%
(S23) Rubber and Plastic Articles	-125.71	-55.72	-0.9%	301.3%	-105.57	-70.87	-0.8%	1.8%	-918.34	-392.45	-1.3%	0.9%	-1,209.42	-516.85	-0.3%	1.8%
(S44) Information Services	-103.70	-44.32	-0.1%	265.9%	-26.54	-11.34	-0.1%	0.9%	-110.58	-67.81	-0.1%	1.3%	-278.90	-113.22	-0.1%	1.9%
(S22) Products from various Chemicals	-70.94	-30.32	-0.1%	181.9%	-26.34	-24.10	-0.1%	2.0%	-138.08	-33.86	-0.1%	0.6%	-206.57	-88.28	-0.1%	1.3%
(S28) Metal Products - except Machines and Appliances	-51.54	-22.03	-0.2%	132.2%	-47.29	-24.10	-0.8%	1.7%	-83.84	-35.83	-0.2%	0.7%	-182.68	-78.07	-0.2%	1.3%
(S32) Machines, Devices and Electric Materials	-46.09	-19.70	-0.2%	118.2%	-30.26	-12.93	-0.2%	1.1%	-45.15	-19.29	-0.1%	0.4%	-121.50	-51.92	-0.2%	0.8%
(S42) Commerce	-39.59	-16.92	0.0%	101.5%	-87.34	-37.33	-0.1%	3.1%	-529.36	-226.22	-0.1%	4.2%	-656.29	-280.47	-0.1%	4.3%
(S29) Machines and Appliances - including Maintanance and Repairs	-34.82	-14.88	-0.1%	89.3%	-46.97	-20.07	-0.1%	1.7%	-61.30	-26.20	-0.1%	0.5%	-143.09	-61.15	-0.1%	0.9%
(S20) Perfumery, Health and Cleaning	-27.85	-11.90	-0.2%	71.4%	-9.14	-3.90	-0.1%	0.3%	-80.86	-34.56	-0.4%	0.6%	-117.85	-50.36	-0.3%	0.8%
(S46) Estate Services and Rent	-27.11	-11.59	0.0%	69.5%	-13.54	-5.78	0.0%	0.5%	-88.25	-37.71	0.0%	0.7%	-128.90	-55.08	0.0%	0.8%
(S19) Agricultural Defensive Agents	-26.89	-11.49	-0.3%	68.9%	-25.87	-11.06	-0.3%	0.9%	-53.81	-22.99	-0.5%	0.4%	-106.56	-45.54	-0.4%	0.7%
(S21) Paints, Varnishes and Lacquers	-25.77	-11.01	-0.3%	66.1%	-10.13	-4.33	-0.3%	0.4%	-29.24	-12.50	-0.4%	0.2%	-65.14	-27.84	-0.3%	0.4%
(S13) Newspapers, Magazines and Discs	-25.04	-10.70	-0.1%	64.2%	-8.65	-3.70	-0.1%	0.3%	-39.37	-16.82	-0.1%	0.3%	-73.07	-31.22	-0.1%	0.5%
(S52) Services for Families and Associative	-24.03	-10.27	-0.1%	61.6%	-6.44	-2.75	0.0%	0.2%	-39.79	-17.01	0.0%	0.3%	-70.27	-30.03	0.0%	0.5%
(S56) Public Administration and Social Security	-22.88	-9.78	0.0%	58.7%	-6.08	-2.60	0.0%	0.2%	-62.10	-26.54	0.0%	0.5%	-91.07	-38.92	0.0%	0.6%
(S57) Non-Metallic Minerals Extraction	-15.65	-6.69	-3.0%	40.1%	-36.12	-15.44	-3.0%	1.3%	-884.92	-378.17	-4.6%	7.1%	-936.70	-400.30	-4.5%	6.1%
(S26) Steel Production and Derivatives	-14.19	-6.06	-0.1%	36.4%	-14.42	-6.16	-0.1%	0.5%	-149.33	-63.82	-0.2%	1.2%	-177.94	-76.04	-0.2%	1.2%
(S8) Textiles	-12.43	-5.31	-0.1%	31.9%	-21.63	-9.25	-0.1%	0.8%	-50.00	-21.37	-0.1%	0.4%	-84.07	-35.93	-0.1%	0.5%
(S41) Building	-8.86	-3.79	0.0%	22.7%	-4.66	-1.99	0.0%	0.2%	-28.14	-12.02	0.0%	0.2%	-41.66	-17.80	0.0%	0.3%
(S27) Metallurgy of Non-Ferrous Metals (S12) Cellulose and Paper Products	-8.48	-3.62 -3.56	-0.1%	21.7%	-4.45	-1.90	-0.1%	0.2%	-18.29 -68.49	-7.81	-0.1%	0.1%	-31.22	-13.34 -36.98	-0.1%	0.2%
(SS) Others from Extractive Industry	-8.33	-3.56	-0.5%	19.8%	-9.71	-4.15	-0.6%	0.3%	-536.35	-29.27	-0.7%	4.3%	-86.53	-36.98	-0.6%	3.6%
(S48) Housing and Food Services	-7.31	-3.30	0.0%	19.8%	-1.99	-0.85	0.0%	0.1%	-550.55	-7.69	-4.7%	4.3%	-30.00	-235.57	-4.8%	0.2%
(S37) Parts and accessories for automobiles	-7.25	-3.12	0.0%	18.6%	-14.95	-6.39	0.0%	0.5%	-32.72	-13.98	-0.1%	0.3%	-54.91	-12.82	-0.1%	0.2%
(S18) Pharmaceutic Products	-5.96	-2.55	0.0%	15.3%	-2.13	-0.91	0.0%	0.1%	-7.68	-3.28	0.0%	0.1%	-15.77	-6.74	0.0%	0.1%
(S60) Aluminum Metallurgy	-5.39	-2.31	-0.2%	13.8%	-9.16	-3.92	-0.1%	0.3%	-15.22	-6.50	-0.1%	0.1%	-29.78	-12.72	-0.1%	0.2%
(S9) Articles and accessories of Clothing	-5.31	-2.27	0.0%	13.6%	-1.40	-0.60	0.0%	0.1%	-3.81	-1.63	0.0%	0.0%	-10.52	-4.50	0.0%	0.1%
(S6) Food and Beverage	-4.99	-2.13	0.0%	12.8%	-24.59	-10.51	0.0%	0.9%	-52.34	-22.37	0.0%	0.4%	-81.91	-35.01	0.0%	0.5%
(S3) Oil & Gas	-2.95	-1.26	-0.2%	7.6%	-5.60	-2.39	-0.2%	0.2%	-539.37	-230.50	-0.4%	4.3%	-547.92	-234.15	-0.4%	3.6%
(S39) Furnitures and Other Products from diverse Industries	-2.62	-1.12	0.0%	6.7%	-4.31	-1.84	0.0%	0.2%	-11.64	-4.98	0.0%	0.1%	-18.57	-7.93	0.0%	0.1%
(S25) Other Products from Non-Metallic Minerals	-2.30	-0.98	-0.1%	5.9%	-6.97	-2.98	-0.1%	0.2%	-39.16	-16.73	-0.1%	0.3%	-48.43	-20.70	-0.1%	0.3%
(S36) Trucks and Buses	-1.87	-0.80	0.0%	4.8%	-0.11	-0.05	0.0%	0.0%	-0.60	-0.26	0.0%	0.0%	-2.58	-1.10	0.0%	0.0%
(S51) Commercial Health	-1.71	-0.73	0.0%	4.4%	-1.31	-0.56	0.0%	0.0%	-7.38	-3.15	0.0%	0.1%	-10.40	-4.45	0.0%	0.1%
(S59) Production of Glass and their Products	-1.59	-0.68	0.0%	4.1%	-0.75	-0.32	0.0%	0.0%	-0.96	-0.41	0.0%	0.0%	-3.30	-1.41	0.0%	0.0%
(S31) Office Machines and Computing Devices	-1.44	-0.61	0.0%	3.7%	-3.51	-1.50	0.0%	0.1%	-2.96	-1.27	0.0%	0.0%	-7.91	-3.38	0.0%	0.1%
(S1) Agriculture, Silviculture and Forestry	-1.28	-0.55	-0.3%	3.3%	-53.45	-22.84	-0.1%	1.9%	-363.85	-155.49	-0.1%	2.9%	-418.57	-178.88	-0.1%	2.7%
(S33) Electronic Materials and Communication Appliances (S50) Commercial Education	-1.23	-0.52	0.0%	3.1%	-2.80	-1.19	0.0%	0.1%	-7.45	-3.19 -1.81	0.0%	0.1%	-11.48	-4.90	0.0%	0.1%
(SSO) Commercial Education (S11) Wood Products - except Furnitures	-1.06	-0.45	-0.1%	2.7%	-0.95	-0.41	-0.1%	0.0%	-4.22	-1.81	-0.1%	0.0%	-6.24	-2.66	-0.1%	0.0%
(S11) Wood Products - except Furnitures (S15) Alcohol	-0.99	-0.42	-0.1%	2.5%	-2.85	-1.22	-0.1%	0.1%	-16.30	-6.97	-0.1%	0.1%	-20.14	-8.61	-0.1%	0.1%
(S38) Other Appliances for Transport	-0.52	-0.22	-0.2%	1.3%	-46.95	-20.91	-0.2%	0.1%	-30.09	-12.00	-0.2%	0.2%	-79.54	-33.99	-0.2%	0.5%
(S24) Cement	-0.44	-0.13	0.0%	1.1%	-1.17	-0.50	0.0%	0.0%	-4.73	-3.04	0.0%	0.1%	-8.67	-3.71	0.0%	0.1%
(S54) Public Education	-0.22	-0.09	0.0%	0.6%	-0.20	-0.08	0.0%	0.0%	-0.63	-0.27	0.0%	0.0%	-1.05	-0.45	0.0%	0.0%
(S10) Leather Goods and Footwear	-0.05	-0.02	0.0%	0.1%	-0.41	-0.17	0.0%	0.0%	-1.90	-0.81	0.0%	0.0%	-2.36	-1.01	0.0%	0.0%
(S2) Livestock	-0.04	-0.02	0.0%	0.1%	-2.69	-1.15	0.0%	0.1%	-23.41	-10.01	0.0%	0.2%	-26.14	-11.17	0.0%	0.2%
(S4) Iron ore	-0.02	-0.01	-0.1%	0.0%	0.00	0.00	0.0%	0.0%	-30.91	-13.21	-0.1%	0.2%	-30.93	-13.22	-0.1%	0.2%
(S55) Public Health	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%	-0.01	0.00	0.0%	0.0%	-0.01	0.00	0.0%	0.0%
(S7) Products from Smoke (Tobacco)	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%
(S53) Domestic Services	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%	0.00	0.00	0.0%	0.0%
(S34) Devices, Medical instruments	0.08	0.03	0.0%	-0.2%	-0.97	-0.41	0.0%	0.0%	-1.62	-0.69	0.0%	0.0%	-2.51	-1.07	0.0%	0.0%
(S30) Household Appliances	1.35	0.58	0.0%	-3.5%	0.67	0.29	0.0%	0.0%	-0.31	-0.13	0.0%	0.0%	1.71	0.73	0.0%	0.0%
(S35) Passenger cars and utilities	1.99	0.85	0.0%	-5.1%	-0.03	-0.01	0.0%	0.0%	-0.54	-0.23	0.0%	0.0%	1.42	0.61	0.0%	0.0%
(S40) Electricity, Gas, Water, Sewage and Urban Cleaning	35.02	14.97	0.1%	-89.8%	-66.40	-28.38	-0.2%	2.4%	-446.84	-190.96	-0.2%	3.6%	-478.22	-204.37	-0.2%	3.1%
(S47) Maintenance and Repair Services	386.77	165.29	2.7%	-991.7%	-6.73	-2.88	-0.1%	0.2%	-21.91	-9.37	-0.1%	0.2%	358.13	153.05	0.6%	-2.3%
TOTA	L -39.00	-16.67	0.0%	100.0%	-2,802.46	-1,197.63	-0.2%	100.0%	-12,503.32	-5,343.30	-0.2%	100.0%	-15,344.77	-6,557.60	-0.2%	100.0%

# APPENDIX I. Impacts over Number of Jobs

## Table I 1. Number of Jobs

2013's SECTORS OF THE ECONOMY	Metropolitan Regio ∆ JOB P	n of Sao Pau OSITIONS	ulo (MRSP)		f Sao Paulo DB POSITIO			est of Brazil DB POSITIOI		ΔJC	BRAZIL DB POSITIOI	NS
	Qty	Sector relevance	Economy relevance	Qty	Sector relevance	Economy relevance	Qty	Sector relevance	Economy relevance	Qty	Sector relevance	Economy relevance
(S0) CENTRAL OF RECYCLING	10,678	100.0%	101.1%	-	-	-	-	-	-	10,678	100.0%	222.1%
(S58) Production of Paper, Cardboard and their Products	-164	-0.4%	-1.6%	-173	-0.3%	25.1%	-443	-0.4%	8.7%	-780	-0.4%	-16.2%
(S49) Services for Companies	-93	0.0%	-0.9%	-43	0.0%	6.3%	-350	0.0%	6.9%	-486	0.0%	-10.1%
(S43) Transport, Storage and Mail	-83	0.0%	-0.8%	-67	0.0%	9.6%	-456	0.0%	9.0%	-605	0.0%	-12.6%
(S42) Commerce	-40	0.0%	-0.4%	-89	0.0%	12.9%	-877	0.0%	17.3%	-1,007	0.0%	-20.9%
(S23) Rubber and Plastic Articles	-31	0.0%	-0.3%	-14	0.0%	2.0%	-41	0.0%	0.8%	-85	0.0%	-1.8%
(S44) Information Services	-30	0.0%	-0.3%	-8	0.0%	1.1%	-76	0.0%	1.5%	-114	0.0%	-2.4%
(S52) Services for Families and Associatives	-27	0.0%	-0.3%	-7	0.0%	1.0%	-77	0.0%	1.5%	-111	0.0%	-2.3%
(S45) Financial Intermediation and Insurance	-24	0.0%	-0.2%	-8	0.0%	1.2%	-60	0.0%	1.2%	-92	0.0%	-1.9%
(S17) Resins and Elastomers Production	-24	-0.4%	-0.2%	-15	-0.4%	2.2%	-80	-0.4%	1.6%	-119	-0.4%	-2.5%
(S28) Metal Products - except Machines and Equipments	-20	0.0%	-0.2%	-19	0.0%	2.7%	-56	0.0%	1.1%	-95	0.0%	-2.0%
(S57) Non-Metallic Minerals Extraction	-16	-0.2%	-0.2%	-37	-0.2%	5.3%	-463	-0.3%	9.2%	-516	-0.3%	-10.7%
(S22) Products from various Chemicals	-15	-0.1%	-0.1%	-12	-0.1%	1.7%	-24	-0.1%	0.5%	-51	-0.1%	-1.1%
(S56) Public Administration and Social Security	-11	0.0%	-0.1%	-3	0.0%	0.4%	-34	0.0%	0.7%	-48	0.0%	-1.0%
(S32) Machines, Devices and Electric Materials	-10	0.0%	-0.1%	-7	0.0%	1.0%	-13	0.0%	0.3%	-30	0.0%	-0.6%
(S29) Machines and Equipments - including Maintanance and Repairs	-9	0.0%	-0.1%	-13	0.0%	1.8%	-21	0.0%	0.4%	-43	0.0%	-0.9%
(S8) Textiles	-9	0.0%	-0.1%	-16	0.0%	2.2%	-63	0.0%	1.2%	-87	0.0%	-1.8%
(S13) Newspapers, Magazines and Discs	-9	0.0%	-0.1%	-3	0.0%	0.4%	-22	0.0%	0.4%	-33	0.0%	-0.7%
(S9) Articles and accessories of Clothing (S16) Chemical Broducts	-8	0.0%	-0.1%	-2	0.0%	0.3%	-9	0.0%	0.2%	-20	0.0%	-0.4%
(S16) Chemical Products (S41) Building	-8 -7	-0.1%	-0.1% -0.1%	-10	-0.1%	1.5% 0.6%	-65	-0.1%	1.3% 0.7%	-83 -44	-0.1%	-1.7%
(S48) Housing and Food Services	-7	0.0%	-0.1%	-4	0.0%	0.6%	-33 -31	0.0%	0.7%	-44 -41	0.0%	-0.9%
(S61) Electricity Production (Oil based)	-6	-18.0%	0.0%	-4	-18.0%	0.8%	-92	-18.1%	1.8%	-41	-19.2%	-0.9%
(S20) Perfumery, Health and Cleaning	-3	-18.0%	0.0%	-5	-18.0%	0.4%	-92	0.0%	0.4%	-100	0.0%	-2.1%
(S5) Others from Extractive Industry	-4	-0.9%	0.0%	-1	-0.7%	0.2%	-18	-0.3%	2.5%	-24	-0.4%	-0.5%
(S46) Estate Services and Rent	-4	0.0%	0.0%	-2	0.0%	0.2%	-127	0.0%	0.2%	-155	0.0%	-0.3%
(S21) Paints, Varnishes and Lacquers	-3	0.0%	0.0%	-1	0.0%	0.2%	-10	0.0%	0.1%	-15	0.0%	-0.2%
(S1) Agriculture, Silviculture and Forestry	-2	0.0%	0.0%	-81	0.0%	11.7%	-1,178	0.0%	23.3%	-1,261	0.0%	-26.2%
(S39) Furnitures and Other Products from diverse Industries	-2	0.0%	0.0%	-3	0.0%	0.4%	-1,178	0.0%	0.2%	-1,201	0.0%	-20.2%
(S19) Agricultural Defensive Agents	-2	0.0%	0.0%	-1	0.0%	0.2%	-4	0.0%	0.1%	-7	0.0%	-0.1%
(S37) Parts and accessories for automotives	-1	0.0%	0.0%	-3	0.0%	0.4%	-8	0.0%	0.2%	-13	0.0%	-0.3%
(S27) Metallurgy of Non-Ferrous Metals	-1	0.0%	0.0%	-1	0.0%	0.1%	-5	0.0%	0.1%	-7	0.0%	-0.1%
(S6) Food and Beverage	-1	0.0%	0.0%	-6	0.0%	0.9%	-17	0.0%	0.3%	-24	0.0%	-0.5%
(\$25) Other Products from Non-Metallic Minerals	-1	0.0%	0.0%	-4	0.0%	0.5%	-35	0.0%	0.7%	-40	0.0%	-0.8%
(S50) Commercial Education	-1	0.0%	0.0%	-1	0.0%	0.1%	-7	0.0%	0.1%	-9	0.0%	-0.2%
(S51) Commercial Health	-1	0.0%	0.0%	-1	0.0%	0.1%	-8	0.0%	0.2%	-9	0.0%	-0.2%
(S26) Steel Production and Derivatives	-1	0.0%	0.0%	-1	0.0%	0.1%	-13	0.0%	0.3%	-14	0.0%	-0.3%
(S18) Pharmaceutic Products	-1	0.0%	0.0%	0	0.0%	0.0%	-1	0.0%	0.0%	-2	0.0%	0.0%
(S11) Wood Products - except Furnitures	-1	0.0%	0.0%	-2	0.0%	0.2%	-20	0.0%	0.4%	-22	0.0%	-0.5%
(S12) Cellulose and Paper Products	0	0.0%	0.0%	-1	0.0%	0.1%	-6	0.0%	0.1%	-7	0.0%	-0.1%
(S14) Petroleum Refining and Coke	0	-0.1%	0.0%	-1	0.0%	0.1%	-9	0.0%	0.2%	-10	0.0%	-0.2%
(S59) Production of Glass and their Products	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	-1	0.0%	0.0%
(S60) Aluminum Metallurgy	0	0.0%	0.0%	0	0.0%	0.1%	-2	0.0%	0.0%	-3	0.0%	-0.1%
(S54) Public Education	0	0.0%	0.0%	0	0.0%	0.0%	-1	0.0%	0.0%	-1	0.0%	0.0%
(S33) Electronic Materials and Communication Equipments	0	0.0%	0.0%	0	0.0%	0.1%	-1	0.0%	0.0%	-2	0.0%	0.0%
(S3) OII & Gas	0	0.0%	0.0%	0	0.0%	0.0%	-19	0.0%	0.4%	-19	0.0%	-0.4%
(S31) Office Machines and Computing Devices	0	0.0%	0.0%	0	0.0%	0.1%	0	0.0%	0.0%	-1	0.0%	0.0%
(S36) Trucks and Buses	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%
(S15) Alcohol	0	0.0%	0.0%	-7	0.0%	1.1%	-10	0.0%	0.2%	-17	0.0%	-0.4%
(S38) Other Equipments for Transport	0	0.0%	0.0%	0	0.0%	0.0%	-1	0.0%	0.0%	-1	0.0%	0.0%
(S10) Leather Goods and Footwear	0	0.0%	0.0%	0	0.0%	0.0%	-2	0.0%	0.0%	-3	0.0%	-0.1%
(S2) Livestock	0	0.0%	0.0%	-2	0.0%	0.4%	-56	0.0%	1.1%	-58	0.0%	-1.2%
(S24) Cement	0	0.0%	0.0%	0	0.0%	0.0%	-1	0.0%	0.0%	-1	0.0%	0.0%
(S4) Iron ore	0	0.0%	0.0%	0	0.0%	0.0%	-2	0.0%	0.0%	-2	0.0%	0.0%
(S55) Public Health	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%
(S7) Products from Smoke (Tobacco)	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%
(S62) Urban Cleaning Services	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%
(S53) Domestic Services	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%
(S34) Devices, Medical instruments	0	0.0%	0.0%	0	0.0%	0.1%	-1	0.0%	0.0%	-1	0.0%	0.0%
(S35) Passenger cars and utilities	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%
(S30) Household Appliances	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%
(S40) Electricity, Gas, Water, Sewage and Urban Cleaning	2	0.0%	0.0%	-4	0.0%	0.5%	-35	0.0%	0.7%	-37	0.0%	-0.8%
(S47) Maintanance and Repair Services	562	0.2%	5.3%	-10	0.0%	1.4%	-62	0.0%	1.2%	490	0.0%	10.2%
TOTAL	10,559	0.08%	100.0%	-691	-0.01%	100.0%	-5,061	-0.01%	100.0%	4,807	0.00%	100.0%

# APPENDIX J. Impacts over Energy Consumption

## Table J 1. Energy Consumption

	Metropolitan Region of Sao Paulo (MRSP)			Rest o	f Sao Paulo	state	R	est of Brazil		BRAZIL			
2013'S SECTORS OF THE ECONOMY	△ ENERGY CONSUMPTION						Δ ENERGY CONSUMPTION			∆ ENERGY CONSUMPTION			
	10 <sup>3</sup> toe	Sector	Economy	10 <sup>3</sup> toe	Sector	Economy	10 <sup>3</sup> toe	Sector	Economy	10 <sup>3</sup> toe	Sector	Economy	
	10 100	relevance	relevance	10 100	relevance	relevance	10 100	relevance	relevance		relevance		
(SO) MBT+WtE	-	-	-	-	-	-	-	-	-	0.00	100.0%	0.0%	
(S58) Production of Paper, Cardboard and their Products	-49.08	-5.2%	45.3%	-51.84	-4.6%	47.0%	-104.19	-6.1%	22.4%	-205.11	-5.4%	30.0%	
(S43) Transport, Storage and Mail (S17) Resins and Elastomers Production	-29.83 -4.96	-0.2% -5.8%	27.6% 4.6%	-23.83	-0.2% -6.1%	21.6% 2.8%	-116.03 -12.05	-0.2% -6.1%	24.9% 2.6%	-169.69 -20.11	-0.2%	24.8% 2.9%	
(S61) Electricity Production (Oil based)	-4.66	-256.8%	4.0%	-2.36	-256.8%	2.8%	-39.03	-259.0%	8.4%	-46.05	-258.6%	6.7%	
(S14) Petroleum Refining and Coke	-3.41	-0.8%	3.2%	-8.25	-0.6%	7.5%	-23.09	-0.5%	5.0%	-34.75	-0.6%	5.1%	
(S62) Urban Cleaning Services	-2.60	-49.8%	2.4%	0.00	-0.1%	0.0%	-0.02	-0.1%	0.0%	-2.62	-8.2%	0.4%	
(S13) Newspapers, Magazines and Discs	-2.30	-0.1%	2.1%	-0.80	-0.1%	0.7%	-3.76	-0.1%	0.8%	-6.86	-0.1%	1.0%	
(S26) Steel Production and Derivatives	-2.09	-0.1%	1.9%	-2.13	-0.1%	1.9%	-22.91	-0.2%	4.9%	-27.13	-0.2%	4.0%	
(S23) Rubber and Plastic Articles	-2.06	-0.4%	1.9%	-0.90	-0.2%	0.8%	-1.95	-0.2%	0.4%	-4.90	-0.3%	0.7%	
(S16) Chemical Products	-1.58	-0.9%	1.5%	-2.08	-0.8%	1.9%	-11.35	-1.3%	2.4%	-15.01	-1.1%	2.2%	
(S22) Products from various Chemicals	-1.13	-0.8%	1.0%	-0.90	-0.8%	0.8%	-1.27	-0.9%	0.3%	-3.31	-0.8%	0.5%	
(S27) Metallurgy of Non-Ferrous Metals	-1.10	-0.1%	1.0%	-0.58	-0.1%	0.5%	-2.35	-0.1%	0.5%	-4.03	-0.1%	0.6%	
(S60) Aluminum Metallurgy	-0.71	-0.2%	0.7%	-1.20	-0.1%	1.1%	-1.94	-0.1%	0.4%	-3.85	-0.1%	0.6%	
(S45) Financial Intermediation and Insurance	-0.57	-0.1%	0.5%	-0.19	-0.1%	0.2%	-0.83	-0.1%	0.2%	-1.59	-0.1%	0.2%	
(S21) Paints, Varnishes and Lacquers	-0.51	-0.3%	0.5%	-0.20	-0.3%	0.2%	-0.59	-0.4%	0.1%	-1.30	-0.3%	0.2%	
(S20) Perfumery, Health and Cleaning	-0.49	-0.2%	0.5%	-0.16	-0.1%	0.1%	-1.46	-0.4%	0.3%	-2.11	-0.3%	0.3%	
(S12) Cellulose and Paper Products	-0.47	-0.5%	0.4%	-0.55	-0.6%	0.5%	-4.00	-0.7%	0.9%	-5.02	-0.6%	0.7%	
(S57) Non-Metallic Minerals Extraction	-0.44	-3.0%	0.4%	-1.02	-3.0%	0.9%	-25.73	-4.6%	5.5%	-27.20	-4.5%	4.0%	
(S42) Commerce	-0.38	0.0%	0.3%	-0.84	-0.1%	0.8%	-5.31	-0.1%	1.1%	-6.53	-0.1%	1.0%	
(S5) Other from Extractive Industry	-0.36	-12.3%	0.3%	-0.09	-10.5%	0.1%	-23.11	-4.7%	5.0%	-23.56	-4.8%	3.4%	
(S19) Agricultural Defensive Agents	-0.32	-0.3%	0.3%	-0.30	-0.3%	0.3%	-0.60	-0.5%	0.1%	-1.22	-0.4%	0.2%	
(S49) Services for Companies	-0.29	-0.1%	0.3%	-0.13	-0.1%	0.1%	-0.63	-0.1%	0.1%	-1.05	-0.1%	0.2%	
(S6) Food and Beverage	-0.21	0.0%	0.2%	-1.06	0.0%	1.0%	-1.97	0.0%	0.4%	-3.24	0.0%	0.5%	
(S44) Information Services	-0.20	-0.1%	0.2%	-0.05	-0.1%	0.0%	-0.30	-0.1%	0.1%	-0.55	-0.1%	0.1%	
(S25) Other Products from Non-Metallic Minerals	-0.16	-0.1%	0.2%	-0.50	-0.1%	0.5%	-2.89	-0.1%	0.6%	-3.55	-0.1%	0.5%	
(S18) Pharmaceutic Products	-0.15	0.0%	0.1%	-0.05	0.0%	0.0%	-0.20	0.0%	0.0%	-0.40	0.0%	0.1%	
(S59) Production of Glass and their Products	-0.13	0.0%	0.1%	-0.06	0.0%	0.1%	-0.08	0.0%	0.0%	-0.28	0.0%	0.0%	
(S3) Oil & Gas	-0.11	-0.2%	0.1%	-0.21	-0.2%	0.2%	-19.60	-0.4%	4.2%	-19.91	-0.4%	2.9%	
(S24) Cement	-0.10	0.0%	0.1%	-0.31	0.0%	0.3%	-1.93	0.0%	0.4%	-2.34	0.0%	0.3%	
(S46) Estate Services and Rent	-0.09	0.0%	0.1%	-0.04	0.0%	0.0%	-0.29	0.0%	0.1%	-0.42	0.0%	0.1%	
(S28) Metal Products - except Machines and Equipments (S56) Public Administration and Social Security	-0.09 -0.07	-0.2%	0.1%	-0.08	-0.2%	0.1%	-0.14	-0.2%	0.0%	-0.31	-0.2% 0.0%	0.0%	
(S8) Textiles	-0.07	-0.1%	0.1%	-0.02	0.0%	0.0%	-0.21	0.0%	0.0%	-0.30	-0.1%	0.0%	
(S32) Machines, Devices and Electric Materials	-0.07	-0.1%	0.1%	-0.13	-0.1%	0.1%	-0.30	-0.1%	0.1%	-0.50	-0.1%	0.1%	
(S52) Services for Families and Associatives	-0.05	-0.1%	0.0%	-0.01	0.0%	0.0%	-0.08	0.0%	0.0%	-0.10	0.0%	0.0%	
(S29) Machines and Equipments - including Maintanance and Repairs	-0.05	-0.1%	0.0%	-0.01	-0.1%	0.1%	-0.08	-0.1%	0.0%	-0.19	-0.1%	0.0%	
(S9) Articles and accessories of Clothing	-0.04	0.0%	0.0%	-0.01	0.0%	0.0%	-0.03	0.0%	0.0%	-0.07	0.0%	0.0%	
(S1) Agriculture, Silviculture and Forestry	-0.03	-0.3%	0.0%	-1.05	-0.1%	1.0%	-9.21	-0.1%	2.0%	-10.28	-0.1%	1.5%	
(S15) Alcohol	-0.02	-0.2%	0.0%	-1.63	-0.2%	1.5%	-0.95	-0.2%	0.2%	-2.60	-0.2%	0.4%	
(S41) Building	-0.02	0.0%	0.0%	-0.01	0.0%	0.0%	-0.06	0.0%	0.0%	-0.08	0.0%	0.0%	
(S48) Housing and Food Services	-0.01	0.0%	0.0%	-0.01	0.0%	0.0%	-0.03	0.0%	0.0%	-0.06	0.0%	0.0%	
(S37) Parts and accessories for automotives	-0.01	0.0%	0.0%	-0.02	0.0%	0.0%	-0.04	-0.1%	0.0%	-0.07	-0.1%	0.0%	
(S39) Furnitures and Other Products from diverse Industries	0.00	0.0%	0.0%	-0.01	0.0%	0.0%	-0.02	0.0%	0.0%	-0.03	0.0%	0.0%	
(S51) Commercial Health	0.00	0.0%	0.0%	0.00	0.0%	0.0%	-0.02	0.0%	0.0%	-0.02	0.0%	0.0%	
(S50) Commercial Education	0.00	0.0%	0.0%	0.00	0.0%	0.0%	-0.01	0.0%	0.0%	-0.02	0.0%	0.0%	
(S11) Wood Products - except Furnitures	0.00	-0.1%	0.0%	0.00	-0.1%	0.0%	-0.03	-0.1%	0.0%	-0.03	-0.1%	0.0%	
(S36) Trucks and Buses	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	
(S31) Office Machines and Computing Devices	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	-0.01	0.0%	0.0%	
(S33) Electronic Materials and Communication Equipments	0.00	0.0%	0.0%	0.00	0.0%	0.0%	-0.01	0.0%	0.0%	-0.01	0.0%	0.0%	
(S4) Iron ore	0.00	-0.1%	0.0%	0.00	0.0%	0.0%	-1.36	-0.1%	0.3%	-1.36	-0.1%	0.2%	
(S54) Public Education	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	
(S2) Livestock	0.00	0.0%	0.0%	-0.04	0.0%	0.0%	-0.51	0.0%	0.1%	-0.55	0.0%	0.1%	
(S38) Other Equipments for Transport	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	-0.01	0.0%	0.0%	
(S10) Leather Goods and Footwear	0.00	0.0%	0.0%	0.00	0.0%	0.0%	-0.01	0.0%	0.0%	-0.01	0.0%	0.0%	
(S55) Public Health	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	
(S7) Products from Smoke (Tobacco)	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	
(S53) Domestic Services	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	
(S34) Devices, Medical instruments	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	-0.01	0.0%	0.0%	
(S35) Passenger cars and utilities	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	
(S30) Household Appliances	0.00	2.7%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	
(S47) Maintanance and Repair Services (S40) Electricity, Gas, Water, Sewage and Urban Cleaning	1.79	0.1%	-1.7%	-3.39	-0.2%	3.1%	-23.28	-0.2%	5.0%	-24.88	-0.2%	3.6%	

# APPENDIX K. Impacts over GHG Emissions

## Table K 1. Greenhouse Gas (GHG)

2013's SECTORS OF THE ECONOMY	Metropolitan Region of Sao Paulo (MRSP)			Rest of Sao Paulo state			Rest of Brazil			BRAZIL		
	△ EMISSIONS OF GHG		△ EMISSIONS OF GHG			△ EMISSIONS OF GHG			△ EMISSIONS OF GHG			
	10 <sup>6</sup> t CO <sub>2</sub> eq	relevance	relevance	$10^6$ t CO <sub>2</sub> eq	relevance	Economy relevance	$10^6$ t CO <sub>2</sub> eq	relevance	relevance	$10^6$ t CO <sub>2</sub> eq	relevance	relevance
(SO) MBT+WtE	1.10	100.0%	-36.8%	-	-	-		-	-	1.10	100.0%	-23.9%
(S62) Urban Cleaning Services	-3.90	-49.8%	130.5%	0.00	-0.1%	1.5%	-0.03	-0.1%	2.1%	-3.94	-8.2%	85.4%
(S43) Transport, Storage and Mail (S58) Production of Paper, Cardboard and their Products	-0.08 -0.06	-0.2%	2.6%	-0.06	-0.2% -4.6%	24.8% 23.8%	-0.30	-0.2% -6.1%	21.8% 8.7%	-0.44	-0.2% -5.4%	9.5% 5.1%
(S61) Electricity Production (Oil based)	-0.08	-256.8%	0.7%	-0.06	-4.6%	4.5%	-0.12	-0.1%	13.6%	-0.23	-258.6%	4.8%
(S14) Petroleum Refining and Coke	-0.02	-0.8%	0.7%	-0.01	-0.6%	11.3%	-0.13	-235.0%	5.7%	-0.12	-2.38.0%	2.6%
(S17) Resins and Elastomers Production	-0.01	-5.8%	0.2%	0.00	-6.1%	1.4%	-0.01	-6.1%	1.0%	-0.02	-6.0%	0.5%
(S26) Steel Production and Derivatives	0.00	-0.1%	0.2%	0.00	-0.1%	1.9%	-0.05	-0.2%	3.7%	-0.06	-0.2%	1.3%
(S13) Newspapers, Magazines and Discs	0.00	-0.1%	0.1%	0.00	-0.1%	0.4%	0.00	-0.1%	0.3%	-0.01	-0.1%	0.2%
(S27) Metallurgy of Non-Ferrous Metals	0.00	-0.1%	0.1%	0.00	-0.1%	0.5%	-0.01	-0.1%	0.4%	-0.01	-0.1%	0.2%
(S23) Rubber and Plastic Articles	0.00	-0.4%	0.1%	0.00	-0.2%	0.4%	0.00	-0.2%	0.2%	-0.01	-0.3%	0.1%
(S16) Chemical Products	0.00	-0.9%	0.1%	0.00	-0.8%	1.0%	-0.01	-1.3%	0.9%	-0.02	-1.1%	0.4%
(S45) Financial Intermediation and Insurance	0.00	-0.1%	0.1%	0.00	-0.1%	0.2%	0.00	-0.1%	0.2%	0.00	-0.1%	0.1%
(S60) Aluminum Metallurgy	0.00	-0.2%	0.1%	0.00	-0.1%	1.1%	0.00	-0.1%	0.3%	-0.01	-0.1%	0.2%
(S22) Products from various Chemicals	0.00	-0.8%	0.0%	0.00	-0.8%	0.4%	0.00	-0.9%	0.1%	0.00	-0.8%	0.1%
(S57) Non-Metallic Minerals Extraction	0.00	-3.0%	0.0%	0.00	-3.0%	0.9%	-0.06	-4.6%	4.1%	-0.06	-4.5%	1.3%
(S24) Cement	0.00	0.0%	0.0%	0.00	0.0%	1.0%	-0.02	0.0%	1.1%	-0.02	0.0%	0.4%
(S49) Services for Companies	0.00	-0.1%	0.0%	0.00	-0.1%	0.1%	0.00	-0.1%	0.1%	0.00	-0.1%	0.1%
(S5) Other from Extractive Industry (S21) Paints Varnishes and Lacquers	0.00	-12.3%	0.0%	0.00	-10.5% -0.3%	0.1%	-0.05	-4.7% -0.4%	3.7%	-0.05	-4.8% -0.3%	1.1%
(S21) Paints, Varnishes and Lacquers (S20) Perfumery, Health and Cleaning	0.00	-0.3%	0.0%	0.00	-0.3%	0.1%	0.00	-0.4%	0.0%	0.00	-0.3%	0.0%
(S44) Information Services	0.00	-0.2%	0.0%	0.00	-0.1%	0.1%	0.00	-0.4%	0.1%	0.00	-0.3%	0.1%
(S12) Cellulose and Paper Products	0.00	-0.1%	0.0%	0.00	-0.1%	0.1%	0.00	-0.1%	0.1%	-0.01	-0.1%	0.0%
(S3) Oil & Gas	0.00	-0.2%	0.0%	0.00	-0.2%	0.3%	-0.07	-0.4%	4.9%	-0.01	-0.4%	1.5%
(S19) Agricultural Defensive Agents	0.00	-0.3%	0.0%	0.00	-0.3%	0.1%	0.00	-0.5%	0.1%	0.00	-0.4%	0.0%
(S1) Agriculture, Silviculture and Forestry	0.00	-0.3%	0.0%	-0.01	-0.1%	4.4%	-0.10	-0.1%	7.0%	-0.11	-0.1%	2.3%
(S6) Food and Beverage	0.00	0.0%	0.0%	0.00	0.0%	0.5%	0.00	0.0%	0.2%	0.00	0.0%	0.1%
(S46) Estate Services and Rent	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.1%	0.00	0.0%	0.0%
(S28) Metal Products - except Machines and Equipments	0.00	-0.2%	0.0%	0.00	-0.2%	0.1%	0.00	-0.2%	0.0%	0.00	-0.2%	0.0%
(S15) Alcohol	0.00	-0.2%	0.0%	-0.02	-0.2%	7.9%	-0.01	-0.2%	0.8%	-0.03	-0.2%	0.7%
(S25) Other Products from Non-Metallic Minerals	0.00	-0.1%	0.0%	0.00	-0.1%	0.2%	0.00	-0.1%	0.2%	0.00	-0.1%	0.1%
(S18) Pharmaceutic Products	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S32) Machines, Devices and Electric Materials	0.00	-0.2%	0.0%	0.00	-0.2%	0.0%	0.00	-0.1%	0.0%	0.00	-0.2%	0.0%
(S59) Production of Glass and their Products	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S52) Services for Families and Associatives	0.00	-0.1%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S29) Machines and Equipments - including Maintanance and Repairs	0.00	-0.1%	0.0%	0.00	-0.1%	0.1%	0.00	-0.1%	0.0%	0.00	-0.1%	0.0%
(S2) Livestock	0.00	0.0%	0.0%	-0.01	0.0%	3.7%	-0.13	0.0%	9.7%	-0.14	0.0%	3.1%
(S8) Textiles (S42) Commerce	0.00	-0.1%	0.0%	0.00	-0.1%	0.1%	0.00	-0.1%	0.0%	0.00	-0.1%	0.0%
(S41) Building	0.00	0.0%	0.0%	0.00	-0.1%	0.1%	0.00	-0.1%	0.1%	0.00	-0.1%	0.0%
(S9) Articles and accessories of Clothing	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S48) Housing and Food Services	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S37) Parts and accessories for automotives	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	-0.1%	0.0%	0.00	-0.1%	0.0%
(S56) Public Administration and Social Security	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S39) Furnitures and Other Products from diverse Industries	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S51) Commercial Health	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S50) Commercial Education	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S11) Wood Products - except Furnitures	0.00	-0.1%	0.0%	0.00	-0.1%	0.0%	0.00	-0.1%	0.0%	0.00	-0.1%	0.0%
(\$36) Trucks and Buses	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S31) Office Machines and Computing Devices	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S33) Electronic Materials and Communication Equipments	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S4) Iron ore	0.00	-0.1%	0.0%	0.00	0.0%	0.0%	0.00	-0.1%	0.2%	0.00	-0.1%	0.1%
(S38) Other Equipments for Transport	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S10) Leather Goods and Footwear	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S54) Public Education	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S7) Products from Smoke (Tobacco)	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S55) Public Health (S53) Domestic Services	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(SS4) Domestic Services (S34) Devices, Medical instruments	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S35) Passenger cars and utilities	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(S30) Household Appliances	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%	0.00	0.0%	0.0%
(\$47) Maintanance and Repair Services	0.00	2.7%	-0.1%	0.00	-0.1%	0.0%	0.00	-0.1%	0.0%	0.00	0.5%	-0.1%
(S40) Electricity, Gas, Water, Sewage and Urban Cleaning	0.00	0.1%	-0.1%	-0.02	-0.1%	6.5%	-0.11	-0.2%	8.1%	-0.12	-0.2%	2.6%
TOTAL		-3.4%	100.0%	-0.25	-0.2%	100.0%	-1.37	-0.1%	100.0%	-4.61	-0.3%	100.0%