



McKinsey.org

## McKinsey.org is Rethinking Recycling

Program Desa Kedas  
Sanur Kauh



8M tons plastic to the ocean every year



Photo: Rich Carey





**3.5M tons of solid waste every day**



**2 billion people live in communities with no waste collection**





40% subject to open burning

McKinsey.org

## Rethinking Recycling

Launched in 2018, McKinsey.org's first initiative aims to empower every community to build green, inclusive and economic recycling systems

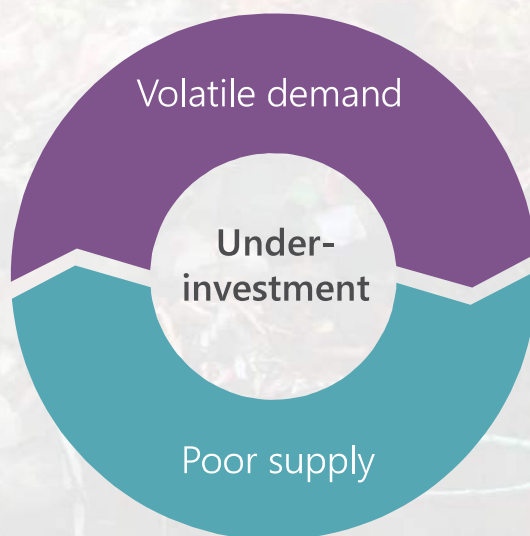


Recycling today is trapped in a vicious cycle of volatile demand and poor supply, resulting in under-investment in infrastructure



**Producers / Recycling end market**

Market volatility, driven by virgin alternatives and trade shocks



**Supply-side recycling players**

Low recovery of material from waste stream, due to contamination and dispersion

We work to break this cycle by developing collaborative solutions for both supply- and demand-side challenges

**Supply**

Community: Develop self-sustaining recycling systems that maximize quality and quantity of recyclable waste supply

**Demand**

Industry: Stabilize and improve regional markets to reliably absorb all recyclable material at a fair price

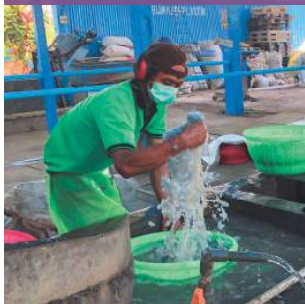
**Collection**



**Sorting**



**Processing**



**End market**





# McKinsey.org | multi-geography approach



Buenos Aires,  
Argentina



Bali,  
Indonesia

## A COLLABORATION BETWEEN



Supported by



# PROGRAM DESA KEDAS

Accelerating the transition to a circular economy  
through community based recycling



\* Kedas = Clean, in Balinese





Source separation education for households and businesses



Efficient operations and capability building for workers







## Inclusive and collaborative approach

Impact in first 10 months...

**5X** households served

**Profitable** operations since April

All workers paid above **minimum wage**

**50%** waste diverted from landfill

**4X** composting throughput





Along the way we are....



Creating jobs



Improving working conditions



Increasing incomes



Building capabilities



Changing self-perception



Building community



## Scaling while stabilizing markets





# This year we will launch an academy to share our program with other communities



**4R Academy**

*Operational capabilities in MRF managers across Indonesia*



**Transparent Marketplace**

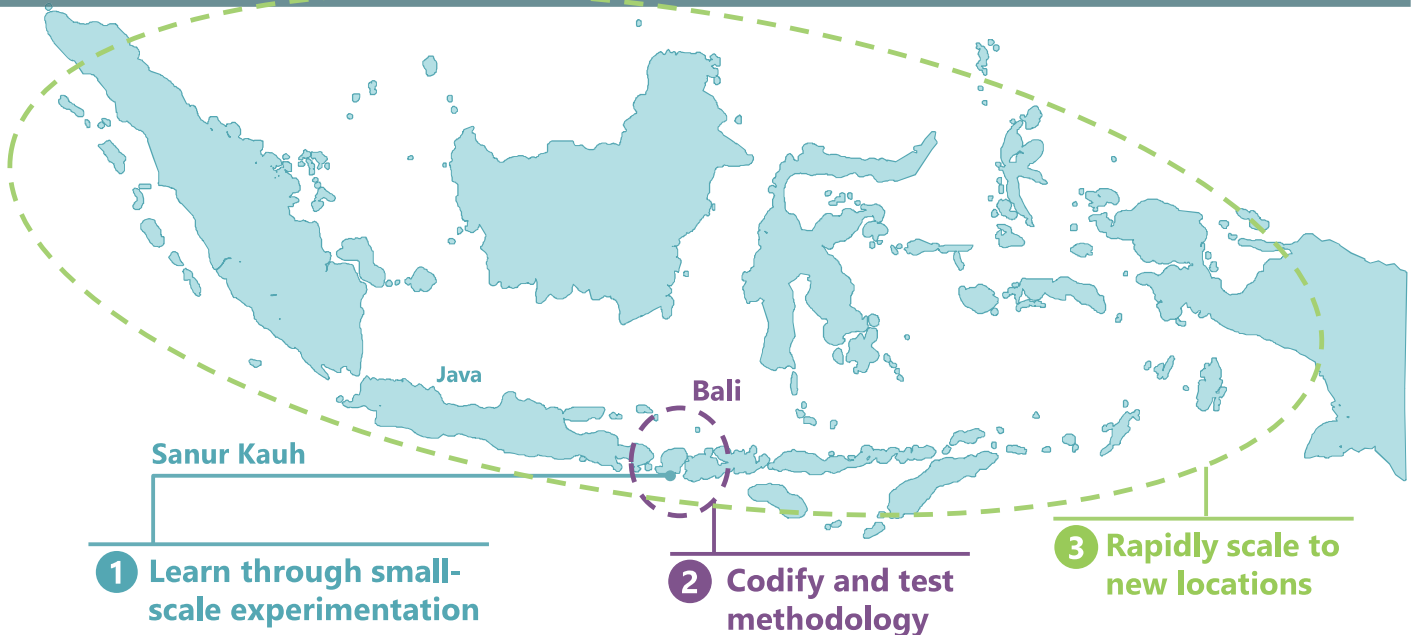
*Source traceability to meet manufacturing needs and create more efficient markets*



**Market Mechanisms**

*Increase investment into collection, sorting and processing infrastructure*

# Our ambition is to scale Desa Kedas to the whole of Bali and eventually the rest of Indonesia and beyond







Thank you