

CLARIFICATIONS TO THE PLASTIC WASTE COLLECTION METHODOLOGY (PWRM0001)

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This document provides clarifications applicable to the *Plastic Waste Collection Methodology* (PWRM0001), v1.1, including their effective date. Project proponents and validation/verification bodies (VVBs) must apply and interpret PWRM0001, v1.1 consistent with the clarifications set out in this document.

The clarifications will be incorporated into the next issued versions of the program documents.

Clarification	Description	Document and Section Reference	Effective Date
Clarification 1	<p>Updated definition of “region”</p> <p>The definition of “region” in Section 3 of the <i>Plastic Waste Collection Methodology</i>, v1.1 is updated to: “The spatial extent that covers at least the geographic area containing the source of the collected plastic waste and the project activity, and at most covers the country or countries in which the source of the plastic waste and the project activity is located. The applicable geographic area may be an administrative unit (e.g., municipality, district, state or country), based on the availability of data.”</p>	<i>Plastic Waste Collection Methodology</i> , v1.1, Section 3	Effective immediately, including all project requests currently in the Verra project review process
Clarification 2	<p>Updated explanation of mechanical recycling in Applicability Condition 7</p> <p>The explanation of mechanical recycling in Applicability Condition 7 in Section 4 of the <i>Plastic Waste Collection Methodology</i>, v1.1 is updated to reflect Clarification 1 made to the recycling definitions in the Plastic Program Definitions, v1.0.</p>	<p><i>Plastic Waste Collection Methodology</i>, v1.1, Section 4</p> <p><i>Plastic Program Definitions</i>, v1.0</p>	Effective immediately, including all project requests currently in the Verra project review process

Clarification	Description	Document and Section Reference	Effective Date
Clarification 3	<p>Updated guidance for demonstrating regulatory surplus</p> <p>The guidance for demonstrating regulatory surplus in Section 7, Step 1: Regulatory Surplus, of the <i>Plastic Waste Collection Methodology, v1.1</i> is updated to clarify that mandated extended producer responsibility (EPR) schemes in a project region must be considered for the demonstration of regulatory surplus. This aims to ensure that the requirements are consistently interpreted by project proponents and consistently assessed by the VVBs.</p>	<i>Plastic Waste Collection Methodology, v1.1</i> , Section 7, Step 1: Regulatory Surplus	Effective immediately, including all project requests currently in the Verra project review process

The redlined corrections and clarifications are below. The text in ~~strikethrough red~~ represents deletions and in **green** represents insertions.

Clarification 1: Updated Definition of “Region”

Document and section references: *Plastic Waste Collection Methodology, v1.1*, Section 3

Region

The spatial extent that covers at least the geographic area containing the source of the **collected** plastic waste **and**, the project activity, ~~and the end destination of the plastic waste collected and/or recycled by the project activity~~; and at most covers the ~~host~~ country or countries in which the **source of the collected plastic waste and the project activity** ~~and the end destination~~ are located. The applicable geographic area may be an administrative unit (e.g., municipality, district, state or country), based on the availability of data.

Background

The *Plastic Waste Collection Methodology, v1.1* included a definition for “region” that required project proponents to include the geographic area of the plastic waste source, the project activity and the end destination of the plastic waste collected by the project activity in the project region. That region was considered for assessing regulatory surplus, additionality and baseline scenario, which was inappropriate for many project scenarios. For example, the region for a project collecting plastic waste in remote islands, mountains or similar geographies, and transporting it to the mainland for further processing would need to include the geographic area of the source and the end destination in the project region.

Verra has updated the definition of “region” to include only the geographic area of the plastic waste source and the project activity to make it feasible for project scenarios referenced above to demonstrate conformance with the methodology requirements.

Clarification 2: Updated Explanation of Mechanical Recycling in Applicability Condition 7

Document and section reference: *Plastic Waste Collection Methodology, v1.1, Section 4(7)*

- 7) The material collected in the project activity is taken to one or more of the end-of-life destinations listed below, referred to as appropriate end destinations throughout this methodology. Compliance of the activities of the end destination facility with relevant local or national regulations must be demonstrated.

...

- **Mechanical recycling:**¹ Includes both open and closed loop recycling, where the collected waste is reprocessed into recycled material²~~a product, a component incorporated into a product or a secondary raw material~~

Background

Verra has updated the explanation of mechanical recycling in Applicability Condition 7 in Section 4 of the *Plastic Waste Collection Methodology, v1.1* to make it consistent with the revisions made to the recycling terminology in *Plastic Program Definitions, v1.0* and the *Plastic Waste Recycling Methodology, v1.1*.

Clarification 3: Guidance for Demonstrating Regulatory Surplus

Document and section references: *Plastic Waste Collection Methodology, v1.1, Section 7, Step 1: Regulatory surplus*

...

The project proponent must list all relevant national, regional and local laws and regulations for plastic waste treatment, specific to collection in the relevant region. This does not include national and local policies that do not have a legally binding status. Project proponents must demonstrate whether, based on an examination of current practice in the region in which the law or regulation applies, those applicable legal or regulatory requirements are systematically enforced and whether non-compliance with those requirements is widespread in the ~~region~~ ~~host country~~. ~~The project proponent may demonstrate widespread noncompliance in the project region by showing that the~~

¹ As defined in the latest version of the *Plastic Program Definitions*.

² As defined in the latest version of the *Plastic Program Definitions*.

~~existing compliance rate is less than 50 percent, and thus even if the project activity complies with the regulation, it meets the regulatory surplus requirement.~~

~~The existing rate of compliance with a law or regulation in a given region must be measured by the total number of relevant entities in the region complying with the law or regulation divided by the total number of relevant entities in the region to whom the law or regulation applies. For example, in the formal sector, if two out of twenty municipal bodies in a state are in compliance with an applicable waste collection regulation, then the compliance rate is 10 percent. The compliance rate may be determined based on primary surveys or from secondary literature published and/or certified by a competent authority.~~

This list must also include all **mandatory** extended producer responsibility (EPR) schemes relevant to the project activity in the region.³ ~~The existence of relevant EPR schemes must not be used to indicate an existing legal requirement for the project activity unless the specific EPR scheme is mandatory.~~ Mandatory schemes may include, among others, those required by law, those that could result in legal redress, and those that enable authorities at the national, regional or local level to require brands or private companies to undertake collection. **Evidence, such as compliance rates, collection rates or other relevant third-party data must be provided to support the assessment of effectiveness of the laws and regulations.**

Where project activities identify materials collected by type, an assessment must be conducted for each material type included in the project activity to determine whether legal or regulatory requirements for collection are applicable. ~~Collection of a certain material type is not considered additional if it is mandatory.~~ Where the project proponent can demonstrate that **the legal or regulatory requirements for collection are not fully effective,**⁴ ~~their project activity will exceed a specific mandatory threshold for collection of a certain material type,~~ project activities associated with the collection of that material type may be considered additional.

Under no circumstances may a project generate Waste Collection Credits for amounts of collected plastic that have already been directly financed through a relevant EPR scheme.

Step 1 outcomes

Outcome 1: There are no laws or regulations that enforce the collection of plastic waste or the laws and regulations are not **fully effective** ~~systematically enforced and noncompliance is widespread (more than 50 percent)~~ in the relevant region. Proceed to Step 2.

³ Project proponents that are not the direct subject of an EPR scheme must still consider EPR schemes in their assessment. For example, a collection organization must consider mandatory EPR in their assessment even where a brand or private company is the subject of the legislation.

⁴ The law or regulation is fully effective where it achieves its desired result (e.g., increasing collection in the region). A law that is not systematically enforced or where there is widespread non-compliance cannot achieve its desired outcomes. For example, a project may demonstrate that an EPR law or regulation is not fully effective at the time of the project start date by showing that the collection rate for the covered materials is low in the applicable region or by showing there is widespread non-compliance by using government or other third-party data. The effectiveness of the EPR scheme will be reassessed at crediting period renewal.

Outcome 2: There are laws and/or regulations mandating the collection of some (but not all) of the material types collected in the project activity. Collection of these material types is not additional, unless it can be demonstrated that these laws and regulations are not **fully effective systematically enforced and noncompliance is widespread (greater than 50 percent)** in the relevant region. Exclude the material types for which collection is not additional and proceed to Step 2.

Outcome 3: There are laws and/or regulations mandating the collection of plastic waste (where the project activity identifies the materials collected by type, for all of the material types collected in the project activity). **The laws and regulations are fully effective in the relevant region. Enforcement of or compliance with these laws and regulations is widespread (greater than 50 percent).** The project activity is not additional.

Background

Verra has clarified that mandatory EPR schemes must be considered in the demonstration of regulatory surplus for plastic waste collection activities by all project proponents including those who are not the direct subject of an EPR scheme. This clarification introduces the term “fully effective” to simplify guidance for demonstrating the regulatory surplus of a plastic waste collection activity in regions with mandated EPR schemes. It also clarifies that projects may not generate Waste Collection Credits for activities that have been directly financed by an EPR scheme.