Verra Plastic Program Webinar: Key Requirements Overview

Varun Aggarwal
Manager, Plastic Program and E&I Certification
Verra

Vigil Yangjinqi Yu
Senior Program Officer, Plastic Policy and Markets
Verra

Photo : Secondlife Thailand.

Housekeeping rules

- ✓ This session is being recorded and will be available online afterwards.
- ✓ Please share your questions through the Q&A function (not "raise hand").
- ✓ Further questions: PlasticStandard@verra.org

AGENDA

- Brief Introduction of Verra's Plastic Program – 10 min
- Deep dive on Key Requirements- 35 min
  - Project Region
  - Methodology Requirements
    - Applicability Conditions
    - Baseline Scenario
    - Additionality
- Q&A- 15 min

VERRA

Non-profit organization founded in 2007

Registered nonprofit organization under Section 501(c)(3) of the U.S. Internal Revenue Code

Headquartered in Washington, DC (with a global staff presence)

Verified Carbon Standard

Plastic Waste Reduction Standard

Climate, Community & Biodiversity Standards

Sustainable Development Verified Impact Standard

KEY STRENGTHS

Convening a diverse range of stakeholders, developing workable frameworks to drive finance to high-performing projects/policies/actions

Project experience
> 3,400 active projects spanning 125 countries

Overview of Verra's Plastic Program

Plastic Standard

The Plastic Standard and its supporting methodologies provide a uniform framework for measuring and monitoring project impacts, and incorporate social and environmental safeguards.

Plastic Credits

Plastic Credits are issued to third party audited projects certified with Verra's Plastic Program.

1 Plastic Credit
=
1 tonne of additional plastic waste
collected from nature and/or recycled

$ Waste Collection Credits (WCC)

Issued based on the amount of plastic **waste collected and appropriately managed above what would have happened** in the absence of a Plastic Program project

$ Waste Recycling Credits (WRCs)

Issued based on the amount of plastic **waste recycled above what would have happened** in the absence of a Plastic Program project

How Does Verra's Plastic Program Catalyze and Scale Plastic Waste Collection and Recycling?

Verra sets the standard for collection and recycling projects.

Projects certified with Verra's Plastic Program reduce the amount of plastic waste that ends up in nature, remediate legacy waste, develop collection and recycling infrastructure, and support dignified livelihoods.

Credible investment scales the impact of plastic waste collection and recycling projects.

Businesses purchase Plastic Credits to make credible investments in plastic waste management.

Verra certification gives businesses confidence that they are contributing to verifiable and traceable collection and recycling outcomes.

Compliance with Plastic Program requirements is assessed via third-party auditors.

Accredited auditors assess compliance with Verra's Plastic Program requirements and verify collection/ recycling outcomes.

Verra issues Plastic Credits, which are transparently displayed on the Verra Registry.

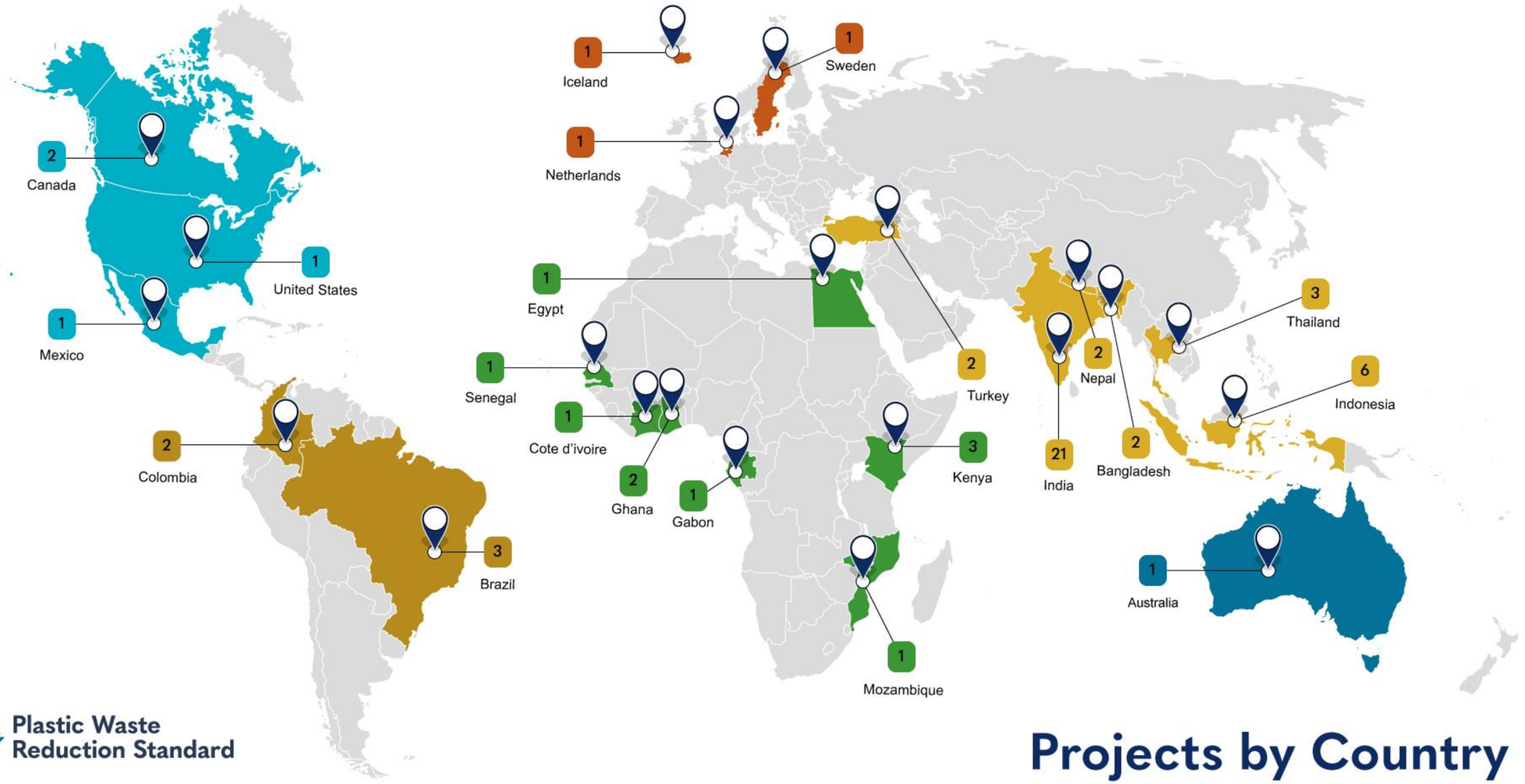
Verra reviews the project documents, audits reports, and issues one Plastic Credit for each tonne collected/recycled above baseline rates.

VERRA

Plastic Program Projects at a Glance

Program Launched In	Feb 2021
Total Listed Projects	50+
Total Registered Projects	24

Data as of Mar 17th 2025



Projects by Country

Plastic Waste Reduction Standard

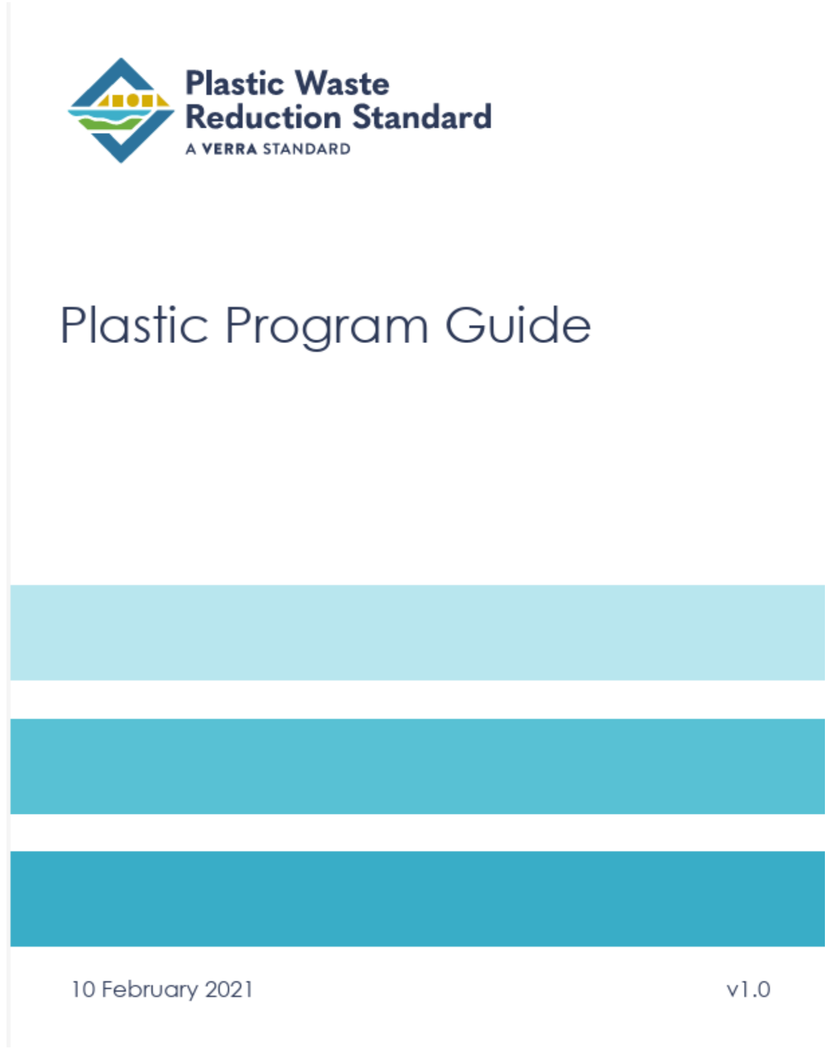
New to the Plastic Program?

Access Our Previous Webinar on "Developing a Plastic Program Project"

PLASTIC PROGRAM: DEVELOPING A PLASTIC PROGRAM PROJECT (PDF)

To learn more about the process

Develop a Project under Verra's Plastic Program: A Quick Guide



Detailed overview of the Plastic Program

Subscribe to the Plastic Program Quarterly Newsletter

The Plastic Program – Standard and Methodologies

Provides overarching requirements for all projects

Two methodologies cover the scope of the program:

Objectives

- Provide a detailed overview of the key requirements of the Plastic Standard and methodologies
- Discuss the intent and rationale behind certain requirements to further inform their application to a variety of project scenarios
- Share examples to project proponents understanding of the key requirements

Project Region

Section 3
Plastic Waste Collection Methodology, PWRM0001, v1.1

Plastic Waste Recycling Methodology, PWRM0002, v1.1

Collection Activity Project Region

Baseline Scenario, Additionality, conformance with applicability conditions and all the requirements are to be demonstrated for the project region.

Project Region

...is not just..

Geographic area of **location of** collection center/material recovery facility and **the collection points**

...is

Geographic area of location **from which plastic waste was sourced** (like the environment, landfills, households/businesses, etc.)

+

Geographic area of location of collection center/material recovery facility and **the collection points**

VERRA

Recycling Activity Project Region

Baseline Scenario, Additionality, conformance with applicability conditions and all the requirements are to be demonstrated for the project region.

Project Region

...is not just..

Geographic area of **location of recycling facility**

...is

Geographic area of **location of collection center/material recovery facility and location from which plastic waste was sourced (like the environment, landfills, households/business,etc.)**

+

Geographic area of **location of Recycling Facility**

VERRA

Project Scenario Examples

Collection Activity Project Region

Project A collecting material Y, with a collection rate of 75% across the country, but a collection rate of 20% in state P.

Project Region = Country, may be ineligible as baseline scenario, conformance with Applicability Conditions 8 and 9 may not be demonstrated

Project Region = State P, may be able to demonstrate baseline scenario, and be eligible if it meets all the other requirements

Recycling Activity Project Region

Project A, recycling material Y, with a recycling rate of 70% across the country, but a recycling rate of 15% in state P.

Project Region = Country, ineligible as baseline scenario, conformance with Applicability Conditions 8 and 10 may not be demonstrated

Project Region = State P, may be able to demonstrate baseline scenario, and be eligible if it meets all the other requirements

Methodology Requirements

Applicability Conditions

Section 4
Plastic Waste Collection Methodology, PWRM0001, v1.1

Applicability Condition 2

- Collection activity could be a **new activity or a capacity addition activity**
- Capacity addition activities result in an increase in the total capacity of as an existing collection activity, by
  - procurement of additional equipment (e.g., grabbers, vehicles) to expand volume of existing collection;
  - installation of additional river barriers to collect more plastic waste, etc.

- **Baseline** plastic waste collected amount (crediting baseline) is quantified based on how the activity is classified (Section 8.1 of the PWRM00001), for example, for a new activity the crediting baseline is zero.
- One project may have a mix of new and capacity addition activities.

- **Start date** of the capacity addition activity must meet the start date requirements in the *Plastic Standard,* i.e., projects must complete validation within two years of the project start date (i.e., capacity addition activity start date in case of a capacity addition activity)

Applicability Condition 3

- **Source** must be clearly identifiable, and justified with evidence that demonstrates that it would not have been collected in the absence of the project
  - Examples include, **environment, landfills, households/businesses, and diversion from any end destination except those listed in Applicability Condition** 7 of the methodology.
  - Material recovery facilities are not considered as an acceptable source of collected plastic waste.

- **Example evidence**
  - Official government or local authority data;
  - Third-party independent surveys and research;
  - Academic research/papers, independent market research;
  - Data from industry bodies; or
  - Any other sources duly assessed by the VVB.

Applicability Condition 7 and 10

Applicability Condition 7

- Acceptable end-of-life destinations
  - Reprocessing
  - Mechanical recycling
  - Incineration with energy recovery
  - Chemical recycling
  - Landfill
- Compliance of the activities of the end destination facility with relevant local or national regulations must be demonstrated.

Applicability Condition 10

- Unacceptable end-of-life destinations
  - Open burning
  - Dumping on open land
  - Dumping in water bodies and/or dumpsites
  - Incineration without energy recovery

Applicability Conditions

Section 4
Plastic Waste Recycling Methodology, PWRM0002, v1.1

Applicability Condition 7

- **The quality of the recycled material** allows it to be used as feedstock in the manufacture of recycled products, thereby displacing the use of virgin plastic.
  - Only the recycled material that is or can be used to displace the use of virgin plastics is eligible for WRCs.
  - In case of chemical recycling, any output that is used as a fuel, for energy recovery and/or as a chemical for any purpose other than plastic production is not eligible for WRCs.
- Exceptions for the recycling of **composite materials** that contain plastic and other materials. Such projects must demonstrate :
  - Plastic polymers cannot be separated out from the composite material and recycled independently
  - Project implements a suitable application for the recycled material that is designed to be durable (i.e., lifetime of more than 10 years
- **Evidence examples**: contractual agreements, receipts of sale of recycled material, third-party audits, third-party survey results or chain of custody certification, to be assessed by the VVB.

Applicability Conditions 8 and 10

Applicability Condition 8

- There is recyclable plastic waste available in the region that would not have been recycled in the absence of the project

Applicability Condition 10

- The project activity does not compete with other recycling activities or include plastic waste that has been diverted from a historically existing, legally recognized recycling activity.

Evidence examples

- Official government or local authority data;
- Third-party independent surveys and research;
- Academic research/papers, independent market research;
- Data from industry bodies; or
- Any other sources duly assessed by the VVB

Applicability Condition 12

Transboundary Movement

- The methodology is **not applicable** where the plastic waste to be recycled has been collected in and imported from **other countries**
- **Exceptions** to this condition are made if:
  - The project recycles waste imported from an LDC or a SIDS
  - The project imports plastic waste from other countries for further processing where there is insufficient plastic waste available in the exporting country to enable development of recycling infrastructure

For example:

1. *A project recycling plastic waste in Germany that has been collected from Hungary, Belgium, France, and other countries will not be eligible for WRCs for the recycled material generated from waste collected from countries other than Germany.*
2. *A project recycling plastic waste in Australia that has been collected from Vanuatu (SIDS) will be eligible for WRCs for the recycled material generated from waste collected from Vanuatu.*

Baseline Scenario

Section 6
Plastic Waste Collection Methodology, PWRM0001, v1.1
Plastic Waste Recycling Methodology, PWRM0002, v1.1

Baseline Scenario

- The "without project" or "business as usual" scenario
- A project is not required to quantify or calculate anything to establish the baseline scenario.
- Statement supported with evidence, such as collection/recycling rates, information/data on mismanagement of plastic waste, or any other evidence that can demonstrate that without project implementation,
  - the "**plastic waste would have remained in the environment, been disposed of by open burning, been incinerated without energy recovery and/or disposed of in a dumpsite,"** under the collection methodology
  - **"…the plastic waste would not have been recycled",** under the recycling methodology
- Difference between baseline scenario and crediting baseline
  - crediting baseline is quantitative and requires a project to establish a specific value to represent what was occurring prior to the project's new or capacity addition activity. Section 8.1 of the methodologies describes how a project establishes their crediting baseline.

Project Baseline Scenario Examples

Example 1

Project A, collecting/recycling material X, with a collection/recycling rate of 75% across the defined project region may be ineligible as it may not be able to demonstrate the baseline scenario (i.e., plastic waste would not have been collected/recycled in the absence of the project).

Example 2

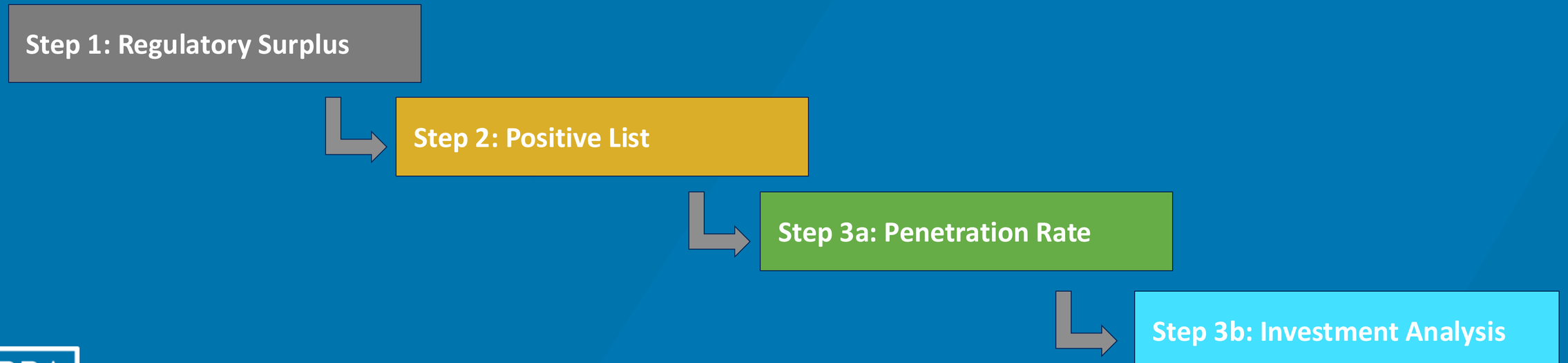
Project B, collecting/recycling material types X and Y, with a collection/recycling rate of 75% for material A and 15% for material B across the defined project region may be ineligible for Plastic Credits for material X as it may not be able to demonstrate the baseline scenario (i.e., plastic waste would not have been collected/recycled in the absence of the project), whereas it may be eligible for material Y as it may be able to demonstrate the baseline scenario for material Y.

Additionality

Section 7
Plastic Waste Collection Methodology, PWRM0001, v1.1
Plastic Waste Recycling Methodology, PWRM0002, v1.1

Additionality

- Plastic waste collected and/or recycled is in addition to what would have occurred without the project
- There are multiple ways a project can demonstrate additionality
- Both methodologies prescribe a step-wise approach
  - A project that contains both a collection and recycling activity will need to demonstrate additionality for both activity types
  - A grouped project must demonstrate additionality for each combination of geographic area and activity type



Step 1 - Regulatory Surplus (Section 7)

- Demonstration that the activity proactively exceeds the current regulations or regulatory compliance scenario
- Requires projects to list and analyze all the mandatory national, regional and local laws.
  - Mandatory schemes may include, 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 and/or recycling.
- Evidence, such as compliance rates, collection/recycling rates or other relevant third-party data must be provided to support the assessment of effectiveness of the laws and regulations.

Extended Producer's Responsibility and Regulatory Surplus

Corrections and Clarifications to Plastic Program Documents (August 12, 2024)

- All **mandatory EPR** schemes relevant to the project activity and material type(s) in the region **must be included** in the regulatory surplus assessment.
- An assessment must be conducted **for each material type** included in the project activity
- **Project proponents that are not the direct subject of an EPR scheme must still consider EPR laws in their assessment.**
  - For example, a recycler must consider a mandatory EPR law in their assessment, even where a brand or private company is the subject of the legislation.
- Collection/recycling of a certain material type is not considered additional if it is mandatory.
  - If the project proponent can demonstrate that the legal or regulatory requirements for collection/recycling a particular material type are not **fully effective**, then project activities associated with the collection/recycling of that material type may be considered additional.

Extended Producer's Responsibility and Regulatory Surplus

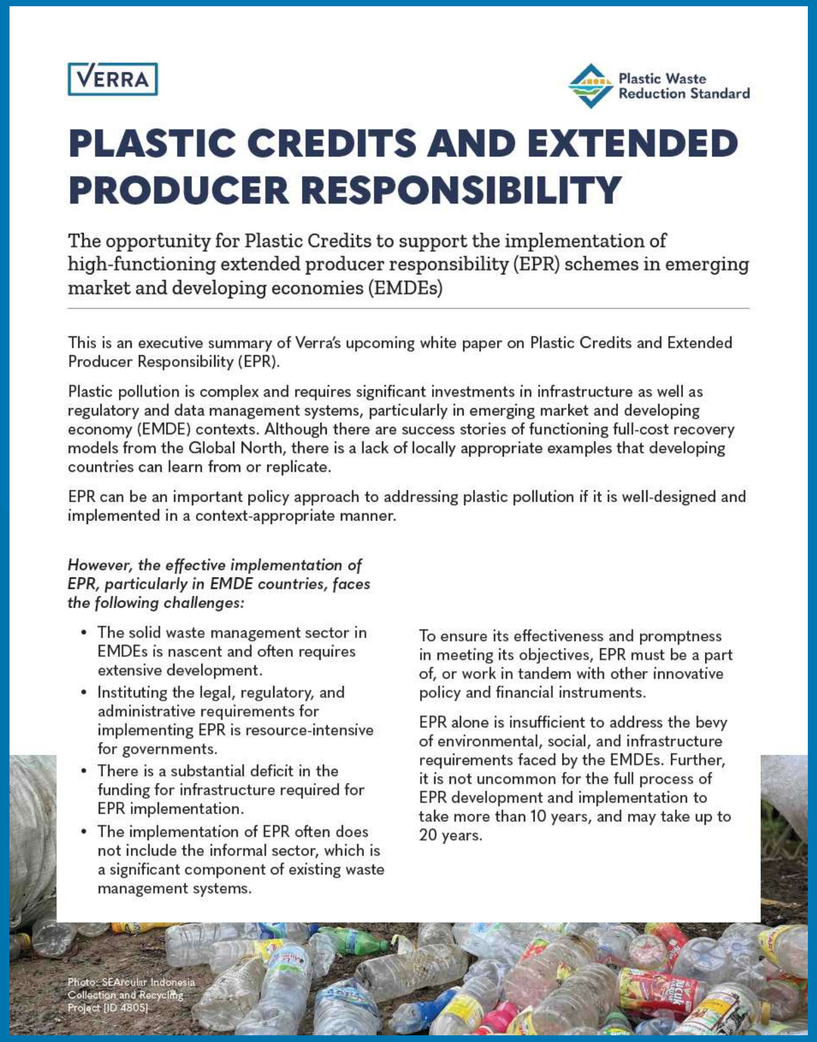
Corrections and Clarifications to Plastic Program Documents (August 12, 2024)

- The law or regulation is fully effective **where it achieves its desired result** (e.g., increasing collection/recycling 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 proponent 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/recycling rate for the relevant 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 **must be reassessed** at the crediting period renewal.
- **Under no circumstances may a project generate Plastic Credits for amounts of collected/recycled plastic that have already been directly financed through a relevant EPR scheme.**

Examples for interpretation of regulatory surplus assessment and EPR

	Scenario 1- PET bottle recycling project in Country "A"	Scenario 2- PET bottle recycling project in State P in Country "A"	Scenario 3- PET bottle recycling project in Country "B"
Project Region	*A*	*A*	*B*
Recycling Rate	*70% (country wide average)*	*30% (State P)*	*10%*
EPR Status	*Mandatory*	*Mandatory*	*Not implemented*
Effectiveness	*Effective*	*Not fully effective in State P*	*Not applicable*
Regulatory Surplus	*No*	*Yes (for state P)* *No (for A)*	*Yes*

Plastic Credits and Extended Producer Responsibility



VERRA

Plastic Waste Reduction Standard

PLASTIC CREDITS AND EXTENDED PRODUCER RESPONSIBILITY

The opportunity for Plastic Credits to support the implementation of high-functioning extended producer responsibility (EPR) schemes in emerging market and developing economies (EMDEs)

This is an executive summary of Verra's upcoming white paper on Plastic Credits and Extended Producer Responsibility (EPR).

Plastic pollution is complex and requires significant investments in infrastructure as well as regulatory and data management systems, particularly in emerging market and developing economy (EMDE) contexts. Although there are success stories of functioning full-cost recovery models from the Global North, there is a lack of locally appropriate examples that developing countries can learn from or replicate.

EPR can be an important policy approach to addressing plastic pollution if it is well-designed and implemented in a context-appropriate manner.

However, the effective implementation of EPR, particularly in EMDE countries, faces the following challenges:

- The solid waste management sector in EMDEs is nascent and often requires extensive development.
- Instituting the legal, regulatory, and administrative requirements for implementing EPR is resource-intensive for governments.
- There is a substantial deficit in the funding for infrastructure required for EPR implementation.
- The implementation of EPR often does not include the informal sector, which is a significant component of existing waste management systems.

To ensure its effectiveness and promptness in meeting its objectives, EPR must be a part of, or work in tandem with other innovative policy and financial instruments.

EPR alone is insufficient to address the bevy of environmental, social, and infrastructure requirements faced by the EMDEs. Further, it is not uncommon for the full process of EPR development and implementation to take more than 10 years, and may take up to 20 years.

Photo: SEArcular Indonesia Collection and Recycling Project (ID 4805)

Verra published a discussion paper in 2024, titled "The Opportunity for Plastic Credit to Support Inclusive EPR" that outlines the opportunity for Plastic Credits as an innovative financial instrument to support the implementation of inclusive EPR in emerging markets and developing economies (EMDEs).

Building on this, Verra is currently finalizing a comprehensive technical paper that:

- Highlights challenges that EMDEs face in implementing EPR
- Further categorizing three different stages of EPR maturity, their respective administrative, operational and financing challenges
- Analyzes opportunities and entry points for Plastic Credit across three stages of EPR maturity
- Provides recommendations for key stakeholder groups – producers, governments and waste management sectors

Step 2 – Positive List (Section 7)

- Projects are deemed automatically additional if they meet the positive list criteria *(Refer to Step 2 in Section 7 of each respective methodology for this list and related references)*

- If a **collection activity** is:
  - located in an LDC, SIDS and/or Special Underdeveloped Zone (SUZ)*…then the project is additional.

- If a **recycling activity** is:
  - in a low-income country; or
  - in rural areas of a lower-middle income country; or
  - managing mono-material flexible plastic in a lower-middle income country; or
  - on an island that is classified as rural in a lower-middle or upper-middle income country; or
  - in a Special Underdeveloped Zone (SUZ)…then the project is additional.

Step 3a – Penetration Rate (Section 7)

If the penetration rate is less than 20%, then the project is additional.

	Collection	Recycling
Penetration Rate	Ratio of total **annual plastic waste collection** (C) and **total plastic waste generated in the region (G)**	Ratio of total **installed recycling capacity** (C) and **total plastic waste generated in the region (G)**
C	Calculated using publicly available data or in a credible way, where no data is available	**Amount recycled ≠ installed recycling capacity**; cannot be used to calculate penetration rate Calculated using publicly available data from local authorities, or In a credible way, where no data is available
G	Total generation of plastic waste G (tonnes/year) Calculated using publicly available data or projects may use default plastic waste generation rates (kg/year per capita), as per the methodology guidance	
Data Validity	Data/studies must not be more than 3 years old at time of validation	

VERRA

Step 3b – Investment Analysis (Section 7)

- Objective of the investment analysis is to **demonstrate that the project activity is not economically or financially attractive**
  - Tool for the demonstration and assessment of additionality, "Option III: Apply benchmark analysis"

- Project proponent **selects and calculates a financial indicator**:
  - **Collection activity** = "financial/economic indicator…most suitable for project type and context"
  - **Recycling activity** = internal rate of return (IRR)
- Methodology gives benchmark options to compare the financial indicator
- Project must present an investment analysis showing that the project activity had a less favorable indicator (e.g., lower IRR) than the selected benchmark at the time of the investment decision
- Investment decision date ≠ project start date

Step 3b – Investment Analysis (Section 7)

- Financial analysis shall be based on parameters that are **standard in the market** and not linked to the subjective profitability expectation of a particular project proponent

- **All** relevant costs and revenues (excluding revenues from the sale of Plastic Credits) must be included

- **Must be conducted for project life or at least 10 years** and include the fair value of the project activity assets at the end of the assessment period.

Step 3b – Investment Analysis (Section 7)

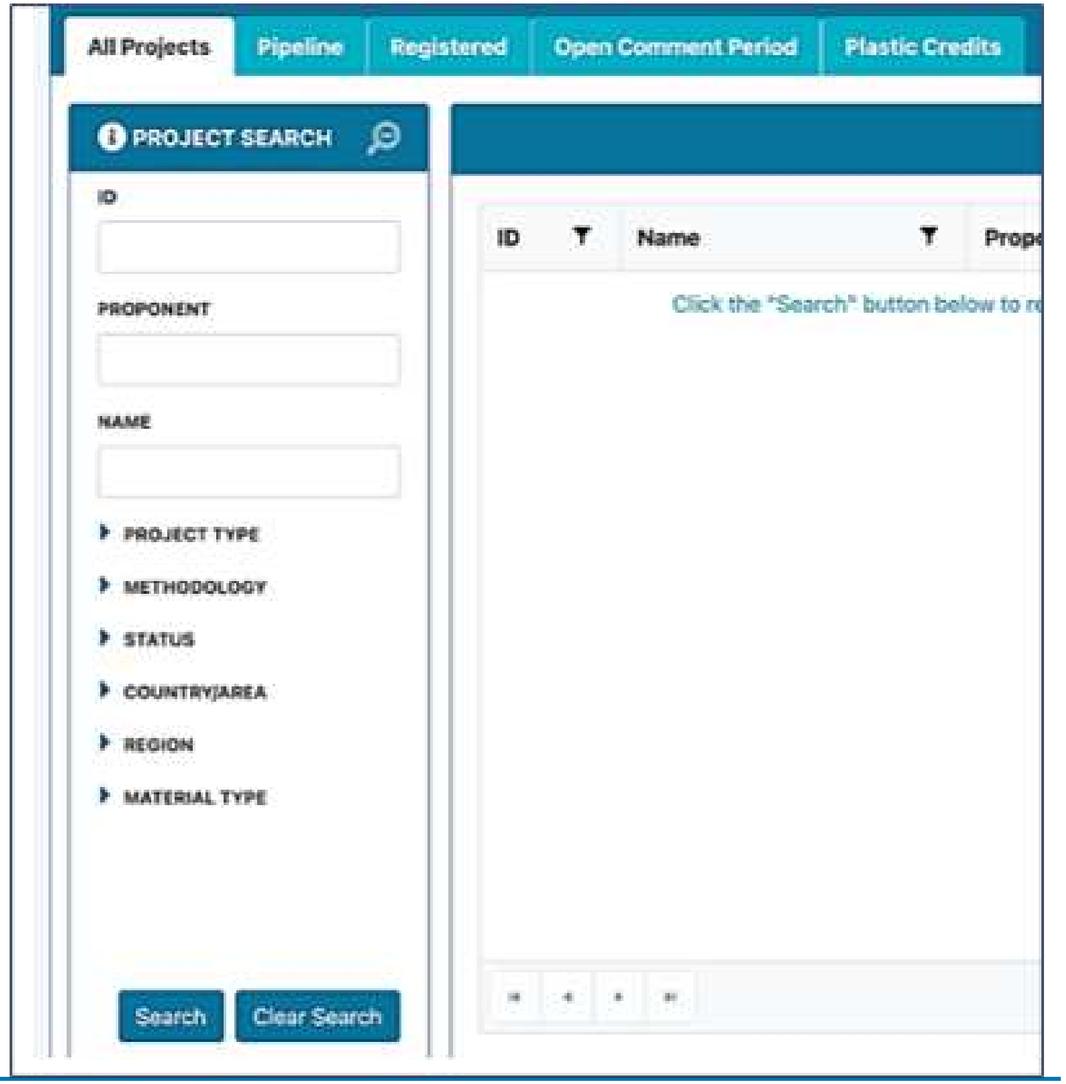
- **If the financial indicator is below the benchmark, then the project is additional**
- The nature of some project (e.g., philanthropic activities) may mean that the project only has cash outflows, which could result in a negative or incalculable IRR
- This can still be used to make a conclusion (i.e., if the IRR is negative or incalculable, it is deemed to be below the benchmark)

- **Projects must provide spreadsheet** with their calculations and documentation of assumptions so that VVB and Verra can reproduce results

Resource: Verra Registry

- The Verra Registry serves as the central repository for all information and documentation relating to Verra projects and credits

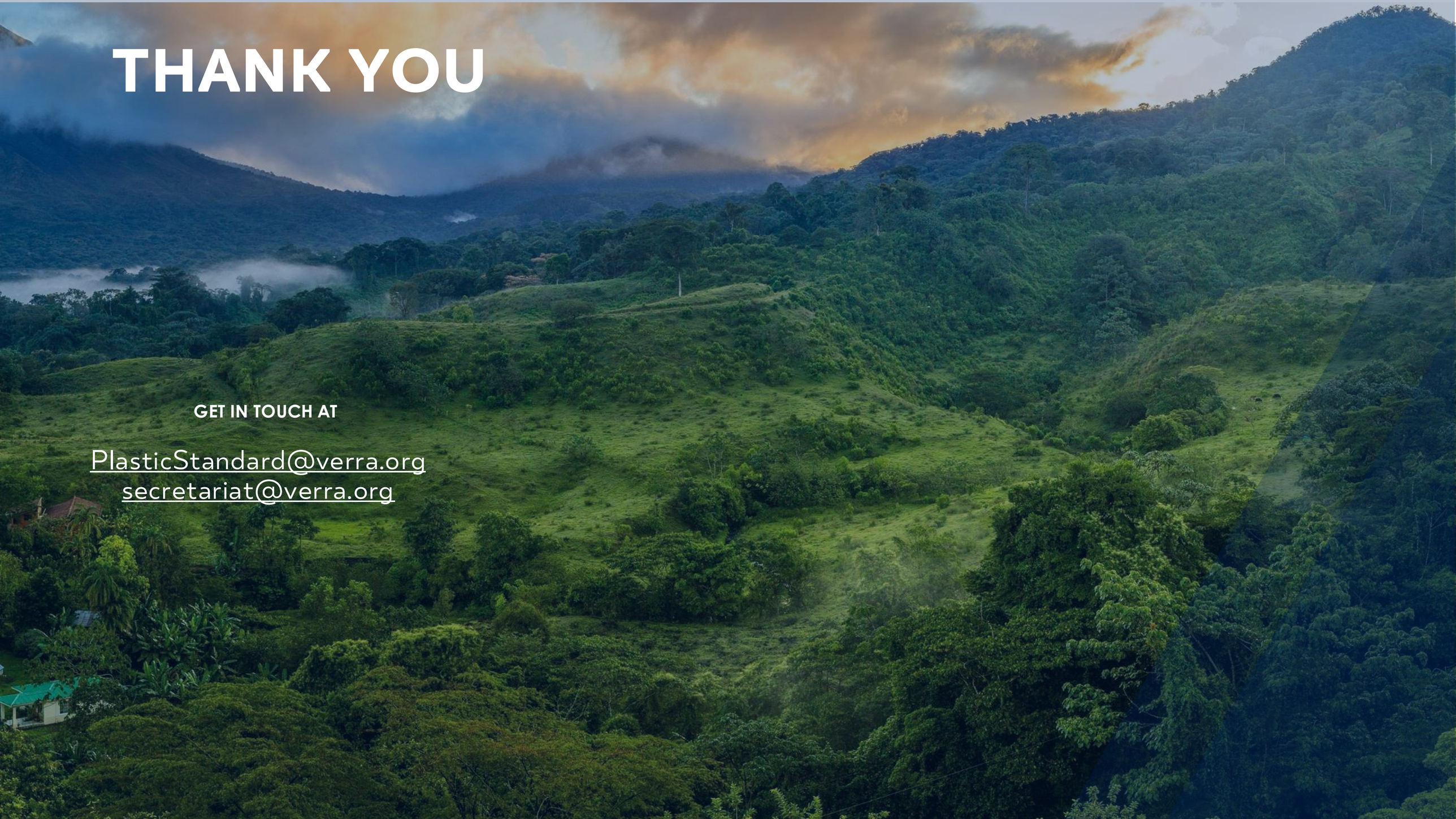
- Anyone can access the Registry to view a project's documents and status in the registration process



Q&A

Subscribe to the
Plastic Program
Quarterly Newsletter

THANK YOU



GET IN TOUCH AT

PlasticStandard@verra.org
secretariat@verra.org