



Verra's Plastic Program

An Innovative Finance Mechanism for Policymakers to Meet Their Plastic Waste Management Priorities



Image courtesy of Second Life Thailand



Introductions



Vigil Yu [she/her]

Senior Program Officer, Plastics Policy
Legal, Policy, & Markets, Verra



Komal Sinha [she/her]

Director, Plastics and Sustainable Development Policy and Markets
Legal, Policy, & Markets, Verra

Agenda



1. The Plastic Pollution Problem
2. Overview of Verra's Plastic Program
3. Mobilizing Finance with Verra's Plastic Program
4. Plastic Program for Global and National Approaches
5. Plastic Program Projects
6. Next Steps for Consideration

Any follow-up questions can be sent to: PlasticStandard@verra.org



Non-profit
organization founded in
2007

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



Verified Carbon
Standard



Climate, Community
& Biodiversity Standards



Sustainable Development
Verified Impact Standard



Plastic Waste
Reduction Standard

KEY STRENGTHS

Project experience

> 3,000 projects worldwide
> 25 project types
in more than 95 countries

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

The Plastic Pollution Problem

The Status Quo

World generated around 385 million tonnes of plastic in 2019

- 14 million tonnes of plastic leak into our oceans each year
- Current commitments will only lead to a 7% reduction in plastic leakage by 2040

More than 20 million informal workers around the world

- Exposure to undignified labour conditions and significant health risks
- Have been excluded from regional and global discourse

86% of plastic leakage occurs in developing countries

- Many countries where substantial increases in waste generation are expected do not have necessary infrastructure in place.
- Vulnerable geographies and communities are disproportionately affected by plastic pollution

\$40 billion funding gap (by 2040) for waste management

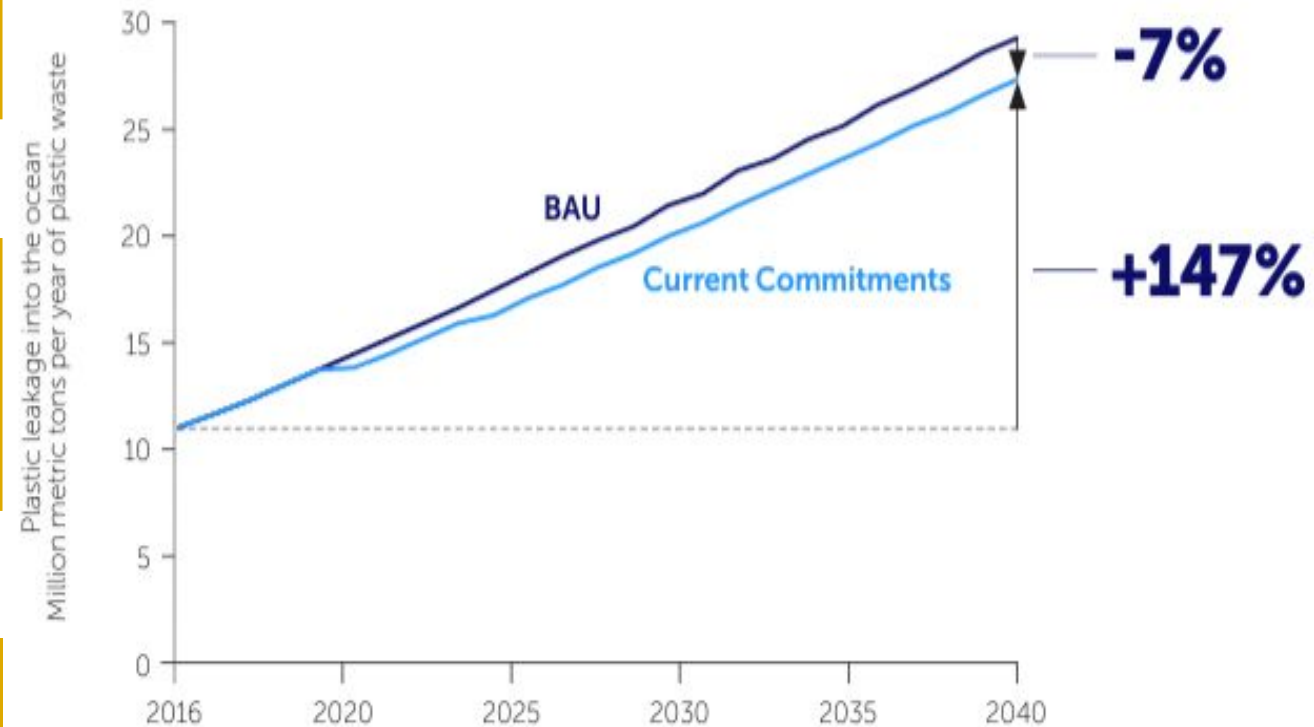
- SDG 14 is the least financed SDG, signaling the need for more finance to intercept marine plastic
- Nearly 90% of all plastic circularity investments since 2018 went to North America and Europe

The Need for Voluntary and Regulatory Levers

Current government and industry commitments will achieve only a **7%** reduction in plastic leakage into the ocean compared to Business As Usual

Industry and governments have the necessary solutions but do not have adequate regulatory frameworks, business models and financing mechanisms **2040**

Scaling up both voluntary and government actions, and supporting them with effective financial mechanisms is crucial to achieve an **80%** plastic leakage reduction by **2040**



(BREAKING THE PLASTIC WAVE, 2020)

Plastic Program Overview

An Investment Mechanism to Catalyze Effective Local
Plastic Waste Management

Introduction to 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. They finance projects that establish or scale up plastic waste collection and/or recycling infrastructure globally.

Plastic Credits

1 Plastic Credit



**1 tonne of additional
plastic waste**

collected from nature and/or recycled

Plastic Credits are an investment mechanism that

- Finance plastic waste collection and recycling activities globally
- Strengthen waste management through infrastructure development and expansion
- Complement upstream targets and actions
- Enable projects to improve livelihoods and workers' health and safety

Two Types of Plastic Credits

Waste Collection Credits (WCCs)



- ✓ 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
- ✓ By purchasing WCCs, organizations directly contribute to **collecting plastic waste from nature and establishing systems to prevent further pollution**

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
- ✓ By purchasing WRCs, organizations help **scale recycling infrastructure and generate recycled plastic feedstock** that can replace virgin plastic

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's Plastic Standard Certifies the Most Impactful Projects



Global standard for measuring the impact of waste collection and recycling activities.



Projects certified with the Plastic Standard can issue Plastic Credits.



Globally
Applicable



Additional



Robust
Development &
Governance
Process



Third-party
Verified



Social and
Environmental
Safeguards

Scope of the Plastic Program

Material Type: All 7 types of plastic plus composite materials that contain plastic



Recovery of
ocean plastics



Municipal or private
waste collection
infrastructure developm
ent



Collection through
waste pickers



Mechanical
and chemical
recycling

Mobilizing Finance with Verra's Plastic Program

Closing the funding gap needed to address plastic waste management challenge

Mobilizes Critical Finance from Multiple Sources

The effective implementation of global and national policies hinges on the availability of adequate, predictable, accessible and sustainable finance.

There is an urgent need to mobilize critical finance from all sources - domestic and international, public and private, including voluntary contributions.

Verra's Plastic Program can mobilize sustainable, large scale investment from a range of sources to expand collection and recycling systems needed to address legacy pollution and prevent further plastic leakage.



Mobilizes Critical Finance from Multiple Sources

Sources of Finance

Private sector

Public and
government sector

Development banks
and financial
institutions



Verra's Plastic
Program
can be
embedded



Potential Implementation approaches

Outcome Based Bonds

Multilateral and other funds

Global Plastic Pollution Fee

Voluntary Contributions

EPR

High quality
Projects to
upscale
collection and
recycling



Outcome Based Bonds

World Bank's recently announced **Plastic Waste Reduction Linked Bond** will Leverage Verra's Plastic Credits to provide returns to its investors

- 7-year, \$100 million
- Two projects seeking registration in Verra's Plastic Program, and expected to generate Plastic Credits, will be recipients of this funding

Credibility of Verra's Plastic Program and robustness of its requirements provides confidence to a broad range of investors to support plastic waste management projects in their key regions

World Bank unveils groundbreaking \$100M bond

(DGB Group)

World Bank and Citi launch \$100mn plastic credits bond

(FINANCIAL TIMES)

Tackling the Plastics Pollution Crisis by Channeling Private Capital to Projects that Reduce Plastic Waste

World Bank's New Outcome Bond Helps Communities Remove and Recycle Plastic Waste

(World Bank)

World Bank Sustainable Development Bond Addresses Plastics in Oceans

(SDG KNOWLEDGE HUB)

Multilateral and Other Funds

- A multilateral fund is being explored as a form of financial assistance to support effective implementation of provisions of **the International Legally Binding Instrument (ILBI, aka. the Global Plastic Treaty)**
- A multilateral fund could be set up to **receive contributions from multiple sources** including EPR fee, official development assistance, private sector finance, among others

Value of Verra's Plastic Program

- Many such funds **prioritize investment in vulnerable geographies**, creating funding streams for lesser developed countries, LDCs and SIDS
- Plastic Program certification can **simplify the due diligence criteria for the fund's project selection** and ensure their investments are directed to additional, verifiable and reliable projects in regions that need this finance the most

Global Plastic Pollution Fee

A **Global Plastic Pollution Fee (GPPF)** is being discussed as an innovative financial instrument within the International Legally Binding Instrument.

- It is expected to be **paid by plastic polymer producers** within its jurisdiction, making them accountable for all of their plastics
- It could **generate revenue to finance environmentally sound waste management** and clean-up initiatives.

Value of Verra's Plastic Program

- GPPF could consider investing in projects certified with Verra's Plastic Program. This would **ensure that fee proceeds are being directed to high integrity projects** that are additional, adhere to safeguards and are third party audited
- Plastic Standard could be used a **standardized framework to measure the impact of these investments**

Voluntary Contributions

Voluntary contributions are, and will continue to be critical to drive immediate and ongoing impact in addition to the global and regional policies

- Investment needs for waste collection, sorting and treatment amount to more than **1 trillion USD between 2020 and 2040 for non-OECD countries combined**
- Delaying implementation of the system interventions from 2020 to 2025 would **add an additional 80 million metric tons of plastic to the ocean**

Value of Verra's Plastic Program

Voluntary contributions in downstream plastic waste management with Plastic Credits ensures:

- availability of sustainable finance to meet your current national targets
- that regions have the preparedness for new or enhanced targets in the expected national plans
- opportunity for ongoing impact needed to address legacy pollution and continued plastic leakage

Plastic Program for Global and National Approaches

At the center of regulatory and voluntary action

Leveraging Verra's Plastic Program



International Legally Binding Instrument (ILBI) on Plastic Pollution

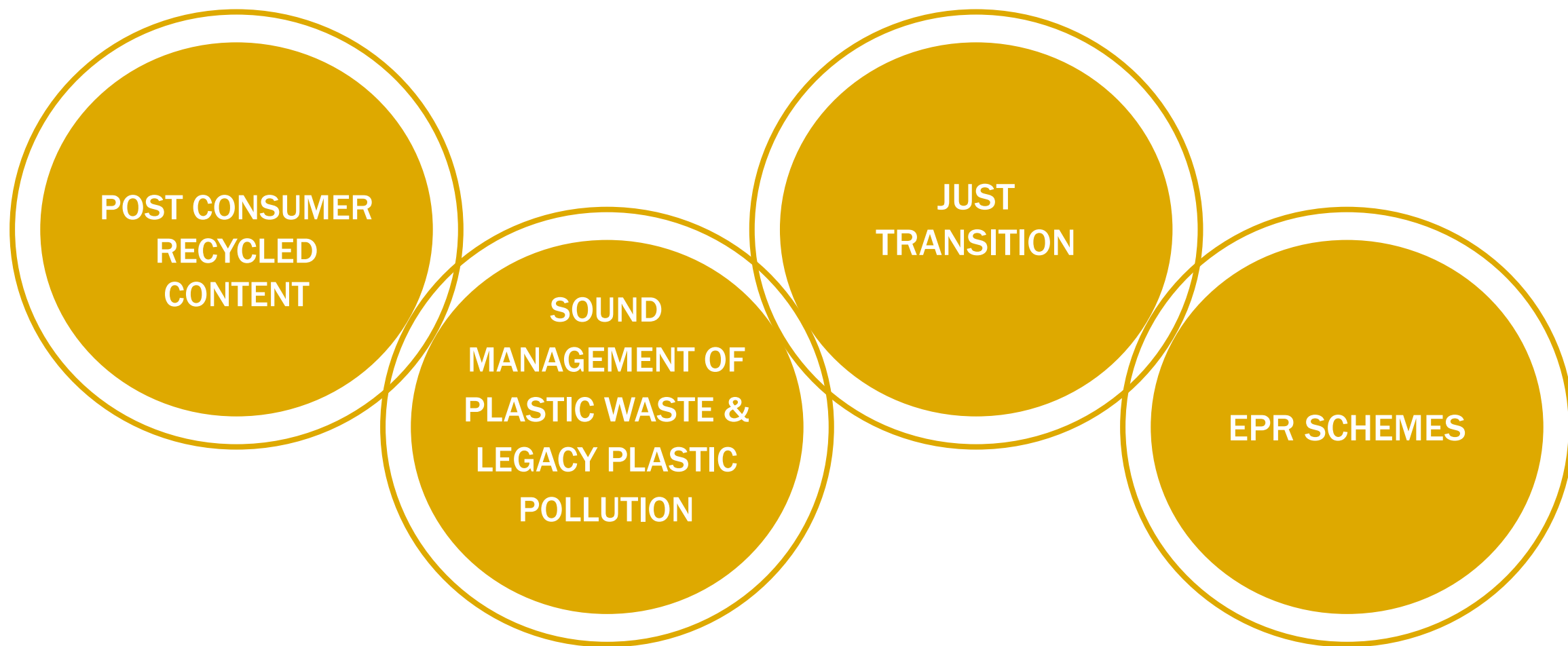
The Intergovernmental Negotiating Committee (INC) is developing an International Legally Binding Instrument (ILBI) to end plastic pollution, expected to be finalized by 2024.

- The instrument is expected to include both **binding and voluntary approaches to address the full life cycle of plastic**
- The Zero Draft - the basis for textual negotiations - presents possible core obligations along with control measures and voluntary approaches for their implementation

Verra's Plastic Program and Plastic Credits can be Leveraged:

- As a **voluntary and regulatory**, tool to meet various proposed core obligations of the ILBI
- To mobilize **finance from a variety of sources**, needed to address **local plastic waste management challenges**

Possible Core Obligations of the ILBI



Benchmarking and Harmonized Impact Reporting

Upscale Recycling Systems and Increase Recycled Feedstock

Possible Core Obligation of the ILBI



Verra Plastic Credits

Drive finance to projects that set up or scale recycling infrastructure

Improve recycling systems and increase the availability of recycled feedstock needed to meet recycled content goals

Enable Effective Local Waste Management

Possible Core Obligations of the ILBI



Verra's Plastic Credits

Can mobilize private and public sector investment to establish and scale waste management systems particularly in vulnerable geographies

Are underpinned by requirements to ensure safe management of plastic waste that promotes circularity and prevents leakage back into the environment

Facilitate a Just Transition

Possible Core Obligation of the ILBI



Verra's Plastic Credits are issued to projects that

Ensure vulnerable groups are identified and involved in project's design and implementation

Mandate social safeguards to support fair and equitable compensation and preventative health and safety practices for workers involved

Require third party audits to assess the project's conformance with program requirements over the project's lifetime

Support Extended Producer Responsibility (EPR) Schemes

Possible Core Obligation of the ILBI



Verra Plastic Credits

Can support EPR schemes at various stages of maturity to address plastic leakage and promote circularity

Are backed by Plastic Program requirements that can enhance the effectiveness of EPR schemes through monitoring and verification protocols and social and environment safeguards

Benchmarking and Impact Reporting for Governments

Verra's Plastic Program can be used as an existing framework for standardized measurement and reporting of plastic waste collection and recycling activities

Governments in particular may find the framework relevant for:

- national reporting both under their current priorities as well as proposed national plans
- measuring and reporting the impact of EPR schemes



Verra's Plastic Program for the ILBI

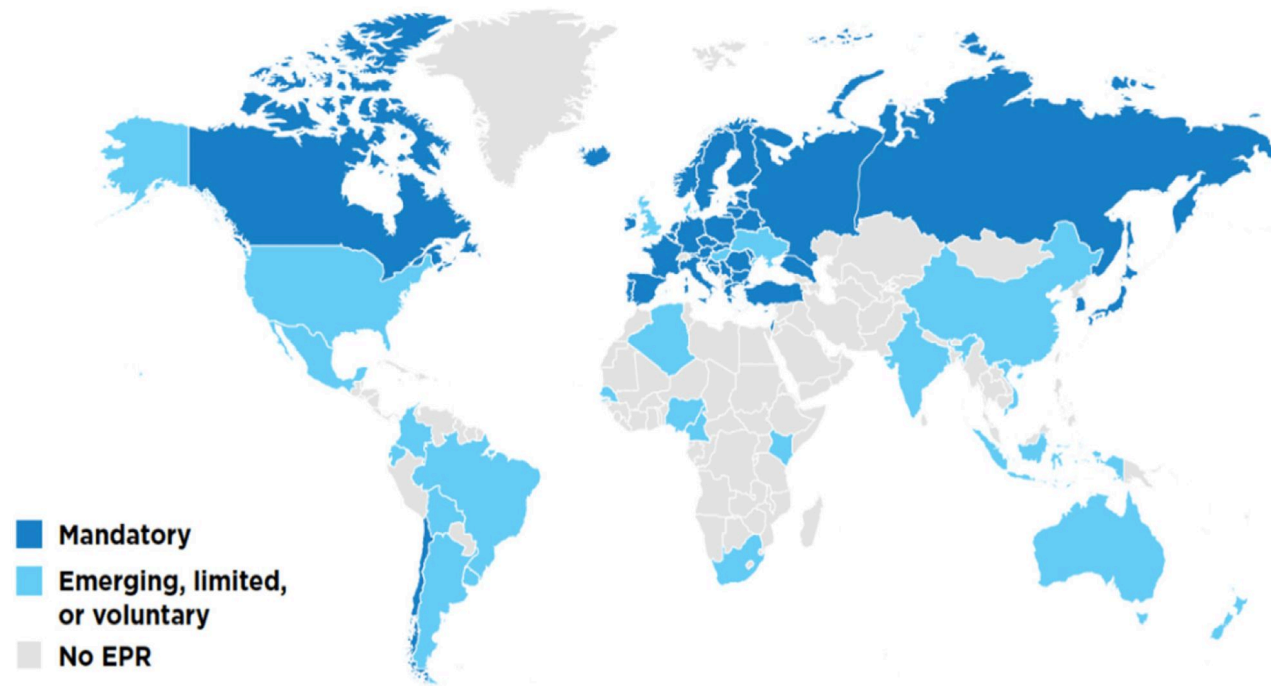


Global Governance: ILBI

- ✓ Recognize Plastic Credits as a finance mechanism within the ILBI
- ✓ Include Plastic Credits as a finance mechanism in your national plans, with the aim of achieving proposed nationally determined targets under the ILBI
- ✓ Include a reference to Verra's Plastic Program as an existing standard to measure the impact of plastic waste collection and recycling activities

National Plastic Waste Management Priorities

- Governments around the world are taking measures to address plastic pollution in their region through a combination of levies, bans, taxes and EPR schemes
- Close to 45 mandatory EPR regulations exist for packaging [1], with only a handful located in developing countries



Copyright: Ellen MacArthur Foundation.

Verra's Plastic Program for National Policies

National approaches:
EPR, Plastic Waste Management Rules

Region with no EPR, or EPR in early stages

- ✓ Include plastic credits in your plastic waste management plans, and as you plan the transition to EPR
- ✓ Support local organizations to set up Plastic Program projects by providing an enabling environment needed to address initial hurdles. These projects could then become investable and can potentially receive finance from multiple sources to expand local waste management systems.
- ✓ Encourage companies to use Plastic Credits in lieu of EPR fee

Region with credits within EPR

- ✓ Enable development of high integrity projects by building criteria in your EPR for social and environmental safeguards and third party audits in line with Verra's Plastic Standard

Use Plastic Program as an existing framework to measure the impact of plastic waste collection and recycling activities

Plastic Program Projects

Project Activities Across the World

Plastic Program Projects at a Glance

Program
Launched In

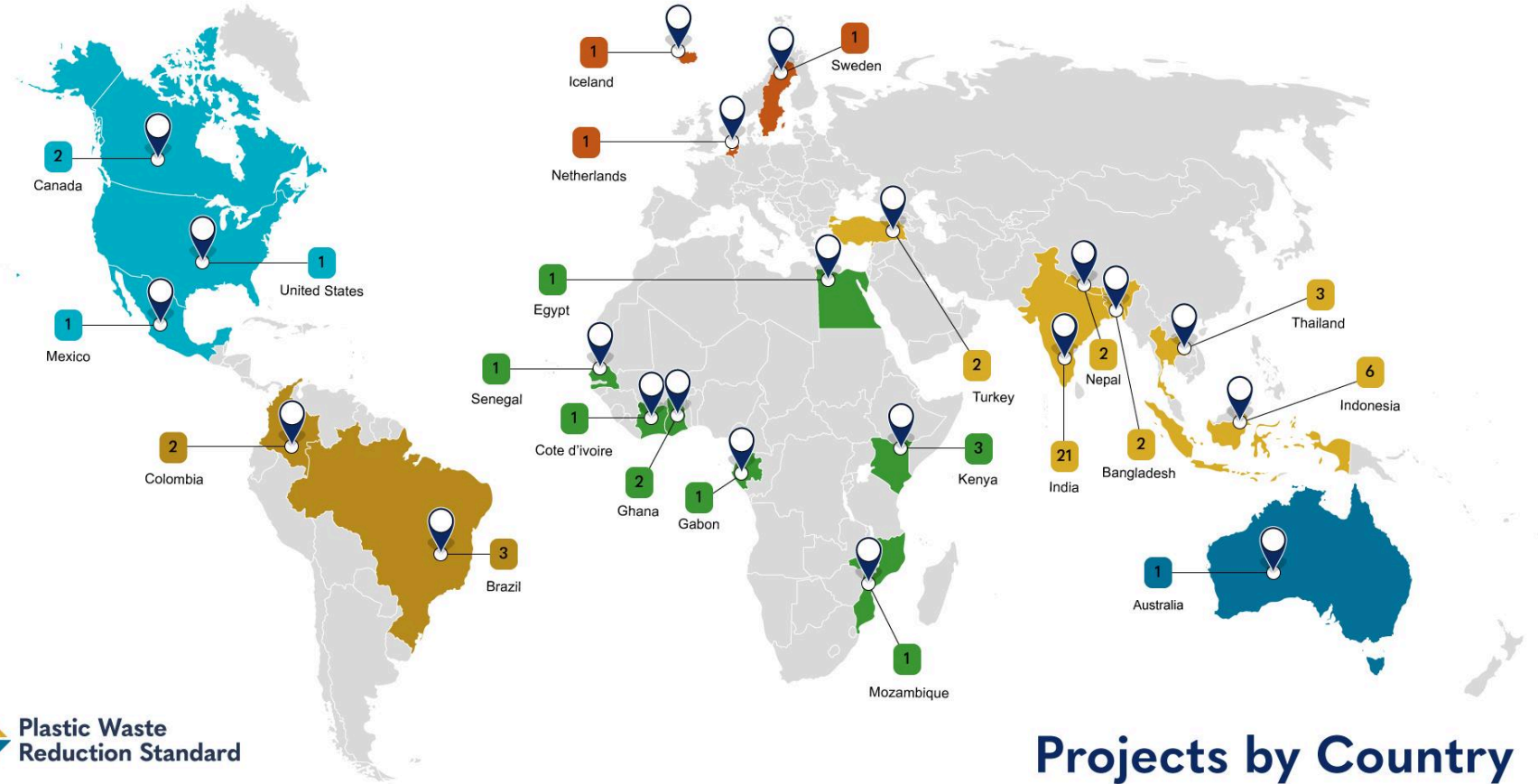
Feb
2021

Total Listed
Projects

50+

Total
Registered
Projects

7



Projects by Country

Data as of Mar 14 2024

Leveraging Public Private Partnerships to Scale Waste Management

Project STOP [ID 4135]

Location: Indonesia

Project Activities:

- Partners with national, regional and local governments to design and implement low cost waste management systems
- Directs waste to best end of life scenario for local context, including material recycling
- Works alongside existing local initiatives and informal waste pickers

Collected 3,861 tonnes of plastic waste



Expanding Local Capacities and Infrastructure Development

Deekali Plastic Recovery West Africa: Recycling, Reuse and Community Action [ID 2720]

Location: Senegal

Project Activities:

- Abates proliferation of plastic waste in streets, public places, and marine ecosystems
- Recycle plastic into chips, which replaces virgin plastic in regional manufacturing
- Creates household level plastic waste separation system

Collected 3,171 tonnes of plastic waste

Recycled 4,296 tonnes of plastic waste



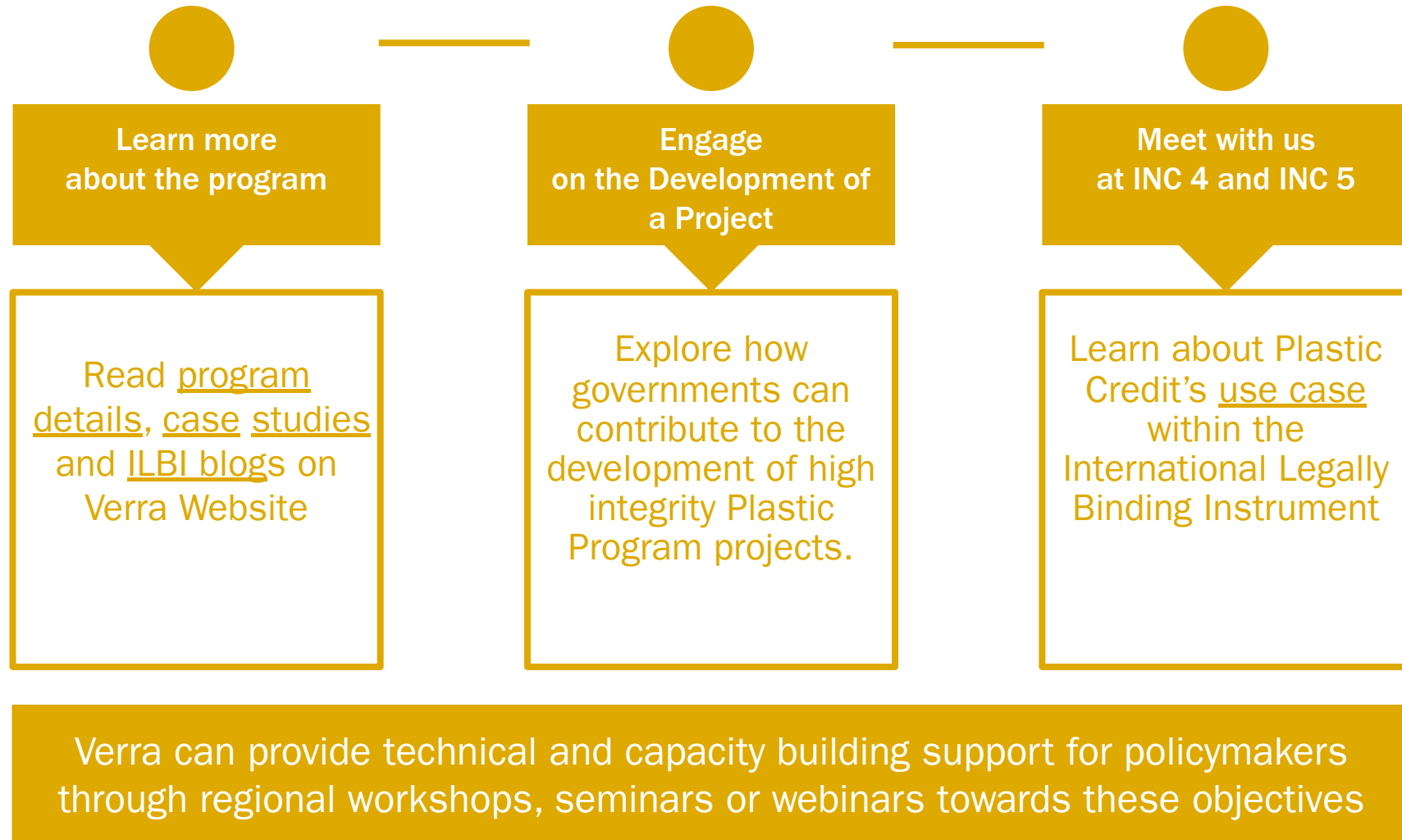
Image courtesy of Deekali Plastic Waste Recovery West Africa



Image courtesy of Deekali Plastic Waste Recovery West Africa

Next Steps for Consideration

Next Steps to Consider



Contact Details

To enquire about [Verra's Plastic Program](#),
email PlasticStandard@verra.org

To view Plastic Credits and projects
registered with Verra's Plastic Program, visit
the [Verra Registry](#).

