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## Verra's submission to the INC process

### Comments compiled by Verra in response to the document titled "Plastics Science" (the "document")

#### About Verra

Founded in 2007, Verra is a nonprofit organization that sets environmental and social standards to help countries, businesses, and civil society achieve ambitious sustainable development and climate action goals.

Verra has developed and manages the [Plastic Waste Reduction Program \(Plastic Program\)](#), as well as other programs such as the [Verified Carbon Standard Program](#), which is the world's largest voluntary carbon crediting program (1 billion credits issued to date), the [Climate, Community & Biodiversity \(CCB\) Program](#), and the [Sustainable Development Verified Impact Standard](#).

The [Plastic Program](#) enables robust impact assessment of new or scaled-up waste collection and recycling projects. The [Plastic Standard](#) sets out requirements for activities that **increase plastic waste recycling and/or collection from the environment** and quantifies their impact in a credible, transparent and consistent way to generate Plastic Credits. Using independent and transparent assessments against robust criteria, the program drives finance to activities that make **verifiable contributions to the circular economy**. The program covers a broad range of impactful activities, such as waste recovery from the environment, including by waste pickers, creation of waste collection infrastructure and development of new and scaled-up recycling projects.

Plastic Credits are issued based on the volume of plastic that is collected and/or recycled **above baseline rates** (i.e., what would have happened in the absence of the project activity). Any company looking to mitigate its plastic footprint beyond its own value chain can purchase Plastic Credits. The revenue from credit sales enables projects to continue or scale up their collection and/or recycling activities.

Verra supports the development of an **international legally binding instrument on plastic pollution, including in the marine environment by the Intergovernmental Negotiating Committee (INC)**. The meeting document titled "Plastics Science" (UNEP/PP/INC.1/7) recognizes the international standards for Plastic Credits as one of the downstream mechanisms for addressing plastic pollution in the environment. We welcome this recognition, while also taking this opportunity to elaborate on the role that Plastic Credits certified through Verra's *Plastic Standard* (hereinafter referred to as Plastic Credits) could play in meeting the strategic goals outlined in the aforesaid document and reducing plastic leakage into nature.

#### Recommendations

Below are our recommendations that we hope will be taken into consideration at the INC meeting scheduled between 28 November to 2 December in Uruguay.

#### Recommendation 1: Inclusion of Plastic Credits as a possible measure for addressing plastic pollution in Table 2, page 14 of the document

A Plastic Credit is a market-based instrument representing one additional tonne of collected or recycled plastic waste, over an established baseline. Plastic Credits are underpinned by the *Plastic Standard* that

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provides a global framework for consistent accounting and crediting of a range of plastic collection and recycling project activities. Projects seeking certification with the *Plastic Standard* must meet stringent requirements, including social and environmental safeguards.

In regions where Extended Producer Responsibility (EPR) is either absent or not yet enforced, Plastic Credits can be a powerful tool to drive investments into neglected waste management operations and increase recycling rates. Verra supports the recognition of market-based instruments as a complementary approach to normative tools such as outright bans (Section 80, page 13 of the document) in addressing the plastic crisis. In the section below, we highlight the main features of the *Plastic Standard* and Plastic Credits that position them as a potential solution to the plastic problem:

- a) **Incentivize infrastructure creation and support EPR schemes:** The projects certified to the *Plastic Standard* can benefit governments by incentivizing voluntary investment into new and expanded collection and recycling infrastructure. Regulators could encourage investments into projects certified to the *Plastic Standard* to support EPR schemes, as these projects have a proven track record of demonstrating impacts. This approach is discussed in further detail in the table below under “Strategic goal 2, sample action: Implement EPR schemes”
- b) **Channel finance for social, environmental, and economic benefits:** Plastic Credit projects have the potential to reduce social risks by adhering to stringent social safeguard requirements in line with the *Plastic Standard*, including avoidance of forced and child labor, health and safety measures and criteria for fair payment and living wages for waste collectors and sorters. Projects generating Plastic Credits channel finance to collection and recycling activities that help ensure a steady supply of recycled material, spurring companies to reduce the amount of virgin plastic used in their value chains. This, in turn, provides transformative social, environmental and economic benefits for all actors across the plastics value chain.
- c) **Transparent and uniform accounting of plastic waste collected and/or recycled:** The *Plastic Standard* offers the much-needed transparency and consistency in data collection processes and the accounting of plastic waste collected and/or recycled. It also provides a harmonized set of metrics for measuring progress towards targets and commitments.

### **Recommendation 2: Inclusion of the Plastic Standard as a harmonized approach to establish national baselines against which progress toward global and national targets can be measured in Section E: Monitoring and Reporting of the document**

Section 70 of the document recognizes the need for harmonized approaches to setting baselines at the national level and identifying key flows of plastics and the most effective ways to manage them. A harmonized process for establishing baselines will both establish a level playing field and enable the comparison of national inventories and the progress towards achieving the plastic waste reduction commitments. This will offer the consistency needed to set robust national targets that are informed by data and science.

The methodologies accompanying the *Plastic Standard* provide detailed guidance for establishing project-level baselines that can be used to establish incremental collection and/or recycling outputs. Section 8 of the [Plastic Waste Collection Methodology, v1.1](#) and the [Plastic Waste Recycling Methodology, v1.1](#) provides clear methods for calculating the amount of plastic waste collected/recycled at baseline, the amount collected/recycled by the project and the net amount collected/recycled as a result of the project activity. The *Plastic Standard* is also applicable to projects managing composite materials containing both plastic and non-plastic materials.

While these accounting methodologies were developed for projects, they can be adapted to be applied for regional or national level baseline development and accounting.

**Recommendation 3: Inclusion of the Plastic Standard, Plastic Waste Collection Methodology and Plastic Waste Recycling Methodology under Section 71 - “Existing Monitoring Initiatives”**

The adoption of uniform monitoring approaches is necessary to quantify impacts, track progress and compare the impacts achieved at the project, national and international levels. The *Plastic Standard* requires projects to establish plastic waste management information systems for recording, compiling, and analyzing data for the quantification and reporting of plastic waste collection and/or recycling. Projects must also implement a monitoring plan to continuously track progress. The *Plastic Waste Collection Methodology, v1.1* and the *Plastic Waste Recycling Methodology, v1.1* list specific data and parameters that must be established at the baseline and monitored during project operations in order to determine and quantify project impacts.

While the monitoring requirements in the *Plastic Standard*, the *Plastic Waste Collection Methodology, v1.1* and the *Plastic Waste Recycling Methodology, v1.1* have been developed for projects, these can be adapted for regional and national level initiatives.

**Role of the Plastic Standard and Plastic Credits in meeting strategic and systems change goals**

In addition to the recommendations proposed above, the table below highlights the role that the *Plastic Standard* and Plastic Credits can play in supporting specific sample actions for achieving the strategic goals outlined in the “Plastics Science” document.

Strategic Goals for systems change	Role of Plastic Standard and Plastic Credits
<p><b>Strategic goal 1:</b> Reduce the size of the problem by eliminating and substituting problematic and unnecessary plastic items, including hazardous additives</p>	<p><b>Sample action: Increase recycled content to replace virgin content</b></p> <ul style="list-style-type: none"> <li>Companies under the European and the US Plastic Pact must achieve an average of at least 30% recycled plastics in plastic packaging by 2025<sup>[1,2]</sup>. While these initiatives are welcome, the existing collection and recycling systems are not sufficient to provide the amount of recycled material needed to meet these goals. A report by Bain and Company<sup>[3]</sup> projected that by 2030 only 10-14% of total plastic consumed will be recycled annually, not enough to supply the feedstock required for meeting the government and private sector commitments. This misalignment between demand and supply would inevitably inflate prices for the recycled content or permanently reduce demand as companies would explore alternatives to meet their targets. <b>Plastic Credit projects can facilitate a steady supply of recycled material</b> by driving investments into the development of new or scaled-up recycling infrastructure and increase recycling rates, thereby enabling companies to meet their recycled content targets in a timely manner.</li> </ul>

<p><b>Strategic goal 2:</b> Ensure that plastic products are designed to be circular (reusable, recyclable or compostable)</p>	<p><b>Sample action: Provide international guidance or standards for compostable and biodegradable materials and minimum recycled content for plastic.</b></p> <ul style="list-style-type: none"> <li>• <b>The mismanagement of plastic waste can be minimized by adopting global waste management standards.</b> The <i>Plastic Standard</i> can help quantify the impact of new or scaled-up collection and recycling activities in a credible, transparent and consistent manner. The projects are certified after meeting stringent requirements, including social and environmental safeguards, and credits are issued for the additional amount of plastic waste that has been collected or recycled over an established baseline. <b>While international guidelines and standards for labeling and recycled content in plastics have an important role to play upstream, standards for plastic waste collection and recycling activities can play a crucial role in bringing uniformity downstream.</b></li> </ul> <p><b>Sample action: Encourage the markets to stimulate action towards circularity</b></p> <ul style="list-style-type: none"> <li>• <b>Plastic Credits can bridge the investment gaps in plastic waste management</b> by financing collection and recycling activities, especially in emerging markets. Financial investment in plastic waste management has not matched the requirement in this sector due to a lack of end markets for recycled content, and gaps in the plastic value chain downstream, such as a lack of on-ground collection and sorting infrastructure, low waste collection rates, lack of waste segregation at source due to low awareness levels, and lack of policies (or policy enforcement) for collection and recycling.</li> </ul> <p><b>Sample action: Implement Extended Producer Responsibility (EPR) scheme</b></p> <ul style="list-style-type: none"> <li>• EPR is one of the instruments for closing the loop in the packaging value chain and increasing recycling rates for waste streams. Its adoption, especially in developing countries, has been slow, owing to complex rules and poor implementation of existing policies. EPR revenues in these regions are not sufficient to ensure sustainable waste management operations and must be combined with other tools to drive holistic impact. The Plastic Credit model has been included as one of the modes of meeting EPR requirements in India. In the EPR law notified in the Philippines in 2022, plastic offsets have been included as a potential means to fulfill EPR requirements. <b>The <i>Plastic Standard</i> can help jumpstart EPR schemes</b> with proven plastic waste reduction projects and a robust framework to assess various EPR initiatives/activities. Regulators could offer companies subject to the EPR requirements the ability to use Plastic Credits in lieu of paying</li> </ul>
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	<p>EPR fees, providing an efficient transfer of resources from covered entities directly to projects that help collect and recycle plastic waste that reduces the government’s administrative burden. This potential model is analogous to how some national regulators (e.g., in Colombia and South Africa) allow covered companies to surrender units certified under the <u>Verified Carbon Standard (VCS) Program</u> (Verified Carbon Units [VCUs]) instead of paying a carbon tax. We have seen plastic credits recognized in EPR rules in regions such as India and Philippines; however, the sector requires increased collaboration between crediting mechanisms and policy tools these instruments to move the needle on plastic pollution.</p>
<p><b>Strategic goal 3:</b> Close the loop of plastic in the economy by ensuring that plastic products are circulated in practice (reused, recycled or composted)</p>	<p><b>Sample action: Empowering the informal sector</b></p> <ul style="list-style-type: none"> <li>• <b>Plastic Credits can play a key role in uplifting of the informal sector.</b> Waste pickers collect approximately 60%<sup>[4]</sup> of all the plastic that is collected for recycling globally. With their work in plastic waste collection, sorting, aggregation and sale for recycling, they play a critical role in reducing plastic pollution, but often they work under extremely hazardous conditions earning minimum or less than minimum wages. The informal waste collection activities carried out by waste pickers and other informal collectors can generate Plastic Credits. The revenues generated from the sale of Plastic Credits can help set up social businesses that provide the needed raw materials to recycling processors. The Plastic Standard includes requirements which support safe working conditions and improved livelihoods for participating waste pickers/collectors and requires relevant stakeholders to be continually consulted about the activities. Plastic Credits associated with projects that generate social benefits (e.g., increased wages, safe and secure work environment, access to education) for waste pickers and other marginalized or vulnerable communities can be labeled as such. This enables buyers of Plastic Credits to identify and prioritize projects with exceptional social value if desired, thereby increasing the flow of funds to these communities.</li> </ul> <p><b>Sample action: Increase investment in plastic waste collection and recycling</b></p> <ul style="list-style-type: none"> <li>• <b>Plastic Credits have the potential to drive private sector investments</b> into waste management operations and increase collection and recycling rates, particularly in vulnerable geographies or regions where EPR is absent.</li> </ul>
<p><b>Strategic goal 4:</b> Manage plastic waste that cannot be reused or recycled in an</p>	<p><b>Sample action: Guidance on end-of-life disposal</b></p> <ul style="list-style-type: none"> <li>• <b>The Plastic Standard provides guidance on environmentally sound management of plastic wastes and their end-of-life disposal</b>, which can help channel plastic</li> </ul>

<p>environmentally sound manner (including existing pollution)</p>	<p>waste to appropriate end destinations and its responsible management. The <i>Plastic Waste Collection Methodology, v1.1</i>, and the <i>Plastic Waste Recycling Methodology, v1.1</i> provide clear guidance on appropriate end-of-life destinations for plastic waste collected and recycled. This guidance will be periodically revised to align it with the most current research and stakeholder feedback.</p> <p><b>Sample action: Prevent the export of plastic waste</b></p> <ul style="list-style-type: none"> <li>• <b>Plastic Standard rules prohibit the export of waste</b> to nations with insufficient waste management capacity and support the development of local infrastructure through Plastic Credit finance. Applicability Condition 11 of the <i>Plastic Waste Collection Methodology, v1.1</i>, prohibits transboundary movement of waste except for projects that collect plastic waste in a Least Developed Country (LDC) or Small Island Developing State (SIDS) subject to meeting the methodology requirements.</li> </ul> <p><b>Sample action: Remediate existing plastic pollution hotspots (legacy pollution)</b></p> <ul style="list-style-type: none"> <li>• <b>Plastic Credits can play a key role in remediation of the issue of legacy waste</b> as well as safe disposal of non-recyclable plastic waste by incentivizing its disposal into the appropriate end destinations outlined in the <i>Plastic Standard</i> and the applicable methodology.</li> </ul>
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Policy and legislative tools combined with voluntary actions can help achieve the strategic goals set out in the document. The application of the Plastic Standard and the use of Plastic Credits can efficiently support the long-term implementation of plastic waste reduction commitments and obligations. In the near term, plastic crediting can help companies reduce potential negative externalities associated with their plastic footprints and catalyze investment in new plastic waste collection and recycling efforts. In the longer-term, plastic crediting can mitigate the uncontrollable plastic leakage from corporate value chains. Plastic Credits, when used alongside plastic reduction and redesign strategies within a company's own value chain, regional mechanisms and/or policy instruments to stem the flow of plastic leakage into the environment, will hold the key to collectively delivering meaningful impact at scale.

We thank you for giving us the opportunity to share our inputs. We are available to answer any questions or provide further information regarding our programs.

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