



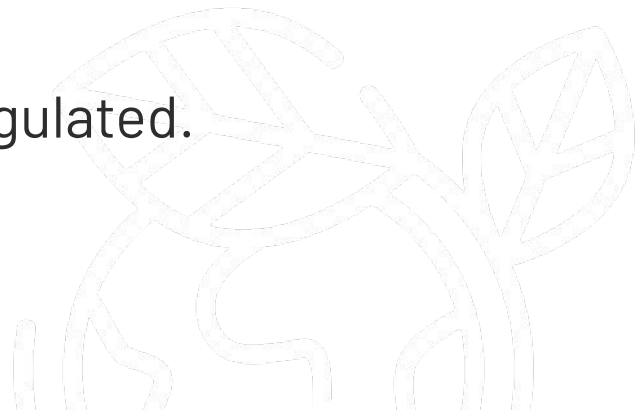
Financing Plastics Treaty

Plastic Credits: Claims Vs Reality

What are Plastic Credits?

Plastic credits are **transferable certificates (trade unit)** indicating the **collection or recycling** or processing of a specific amount of plastic waste, typically one metric ton.

Plastic credits are voluntary and unregulated.



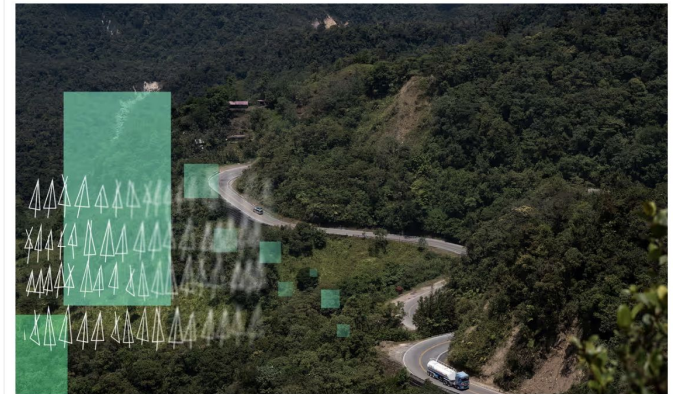
Plastic credits not carbon credits

- ❑ Promoted by same private sector actors
- ❑ Use carbon credits as a blueprint but are functionally different
- ❑ No globally harmonised protocols
- ❑ Can be layered on top of carbon credits

Revealed: more than 90% of rainforest carbon offsets by biggest certifier are worthless, analysis shows

Investigation into Verra carbon standard finds most are 'phantom credits' and may worsen global heating

- ['Nowhere else to go': Alto Mayo, Peru, at centre of conservation row](#)
- [Greenwashing or a net zero necessity? Scientists on carbon offsetting](#)
- [Carbon offsets flawed but we are in a climate emergency](#)



📍 The Alto Mayo protection forest in Moyobamba, Peru, was supposed to be a flagship offsetting project but has faced human rights issues. Composite: Guardian Design/AFP/Getty Images



Landscape

- ❑ **Recovery and recycling projects:** collect plastic waste and process it to prepare waste for recycling or recycling themselves (eg. Plastic bank, RePurpose Global)
- ❑ **Project developer:** keeps oversight on projects & sets the price of the credit
- ❑ **Validators:** Third-party auditors who will validate and verify that the project meets its goals according to the rules and regulations set up certifying authorities
- ❑ **Standards setting orgs** - (e.g. 3R initiative, WWF)
- ❑ **Certification:** (e.g. Verra's Plastic Waste Reduction Standard, [PCX's Plastic Pollution Reduction Standard](#))
- ❑ **Credits registry:** [Verra](#), PCX
- ❑ **Marketer/Marketplace:** PCX
- ❑ **Buyers:** Polluters looking to offset their pollution, often producers or brand owners
- ❑ **International Financing Institutions:** Channelise private finance through bonds, loans and similar funding mechanisms



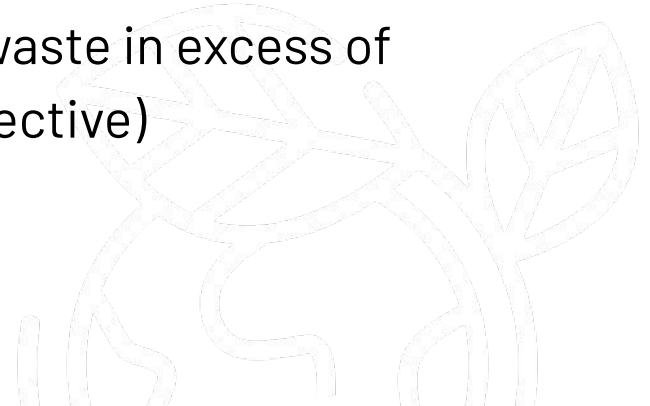
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Who buys credits?

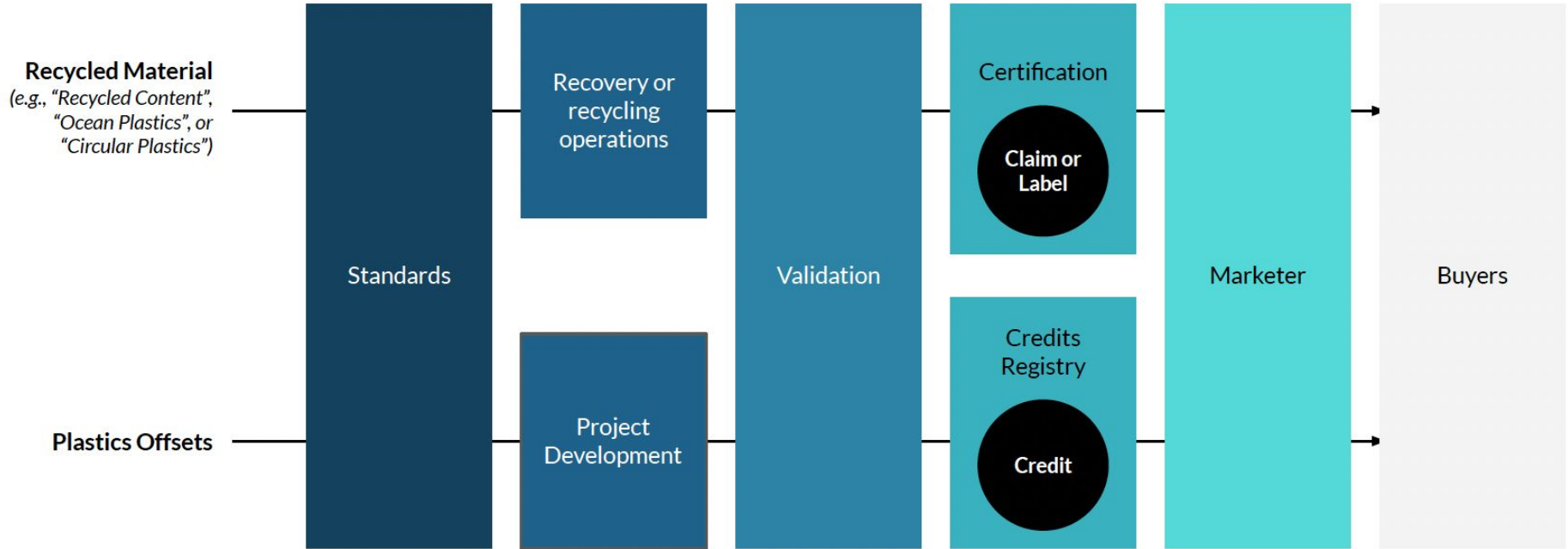


Types *(as defined by the players)*

- **Plastic Negative:** Compensate for legacy/historical waste generated (verra)
- **Plastic Neutral:** Removal of plastic waste generated: (verra)
- **Plastic Positive:** Removal of plastic waste in excess of what company produces (Plastic Collective)



Landscape



Some players



Circular Action Hub is a marketplace and clearinghouse for **offset credits that subsidize plastics collection**



PlasticBank sells **Social Plastic Collection Credits** that fund collection projects



Plastic Collective offers certified **Ethical Plastic Credits** to offset generation as part of overall reduction strategies



Plastics Credit Exchange offers **certified offsets** to help organizations achieve **plastic neutrality**



rePurpose subsidizes the ethical collection and recycling of low-value plastics through the sale of **plastic neutral credits**



The 3RI will offer credits to fund projects that meet the **Plastic Waste Reduction Standard**

Source: The Circulate Initiative



“

“As the plastic credit market is still emerging, at this stage each issuing organization largely follows its own protocols that govern the process of creating credits,”

Repurpose Global



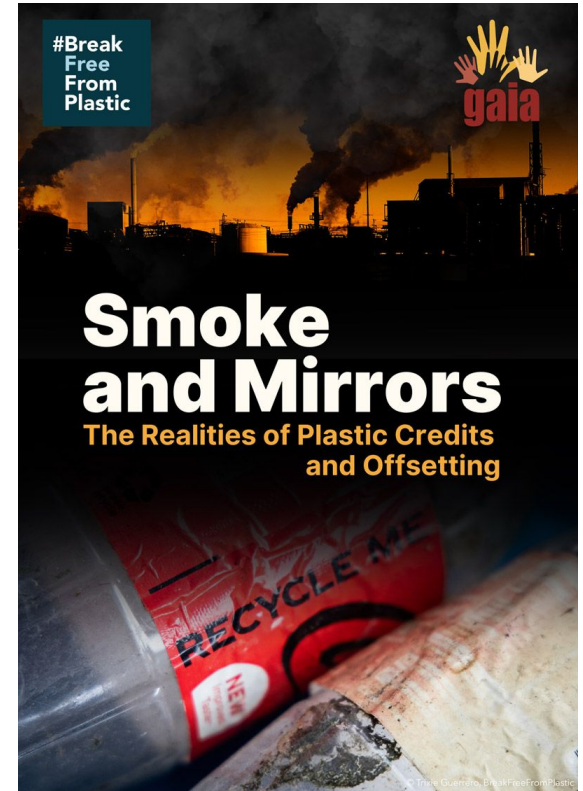
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Claims Vs Reality

Verra and PCX analysis

- ❑ Only 14% of PCX credits are for recycling
- ❑ 86% of PCX, 22% of Verra credits are for burning plastic
- ❑ By 2030, total revenue could be \$4.67 bn for Verra alone
- ❑ 83% of Verra projects already in operation > 1 year, 42% > 5 years

<https://www.breakfreefromplastic.org/smoke-and-mirrors/>



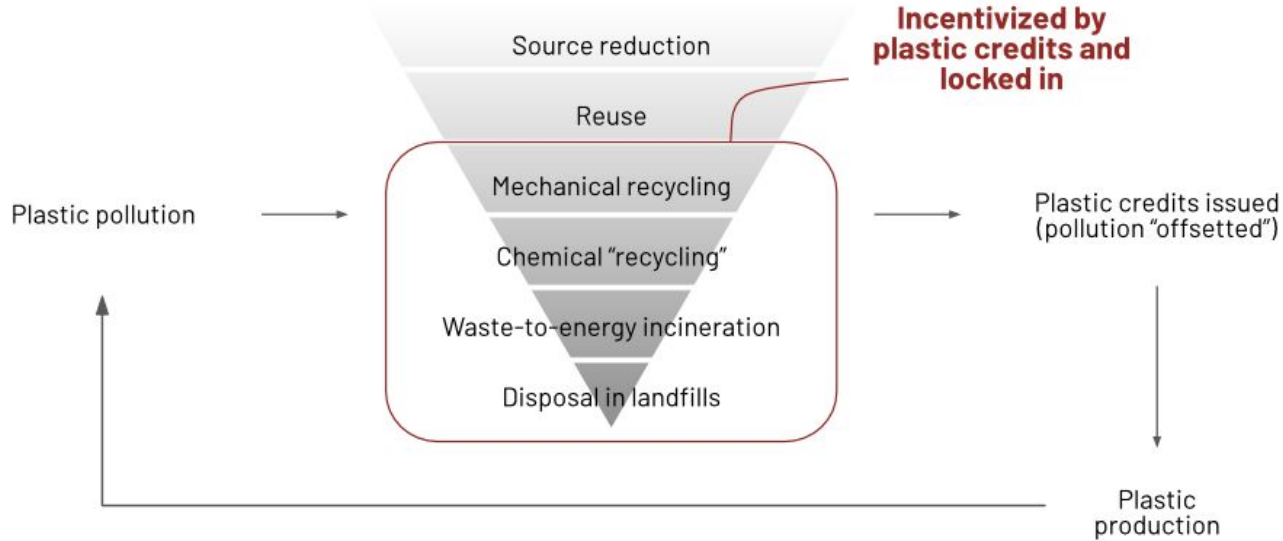


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Additionality

- ❑ Long-standing, unresolved problem with carbon credits.
- ❑ Offsetting the negative environmental impact of an activity can only be considered to have occurred when the sale of credits finances an additional activity that would not have occurred otherwise.
- ❑ Credits must prove that without the proposed project's intervention, the plastic waste would have otherwise ended up in the environment.
- ❑ Time lag between the generation of credits and the sale of credits, the lack of a guaranteed purchaser and transparency about how plastic is disposed of/processed, and inevitable uncertainty over the price to be paid for an individual credit, it is very difficult to have confidence that purchasing credits leads to genuine additionality

Plastic Credits incentivize plastic production



Policy integration of plastic credits

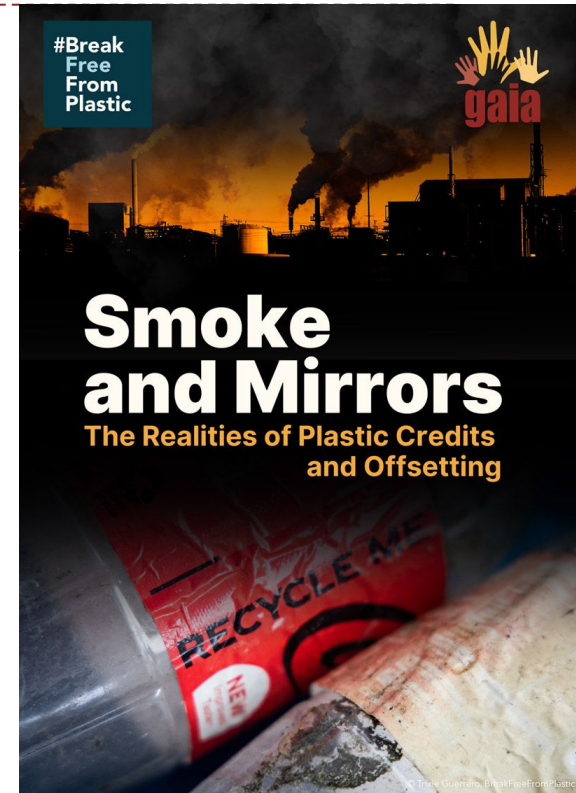


- New Philippines EPR law requires plastic credits
- Indian EPR law also integrates with plastic credits
- Expands reach and impact of plastic credits
- Diverts money from PROs/public authorities to private actors
- No regulatory oversight of plastic credits

Concerns

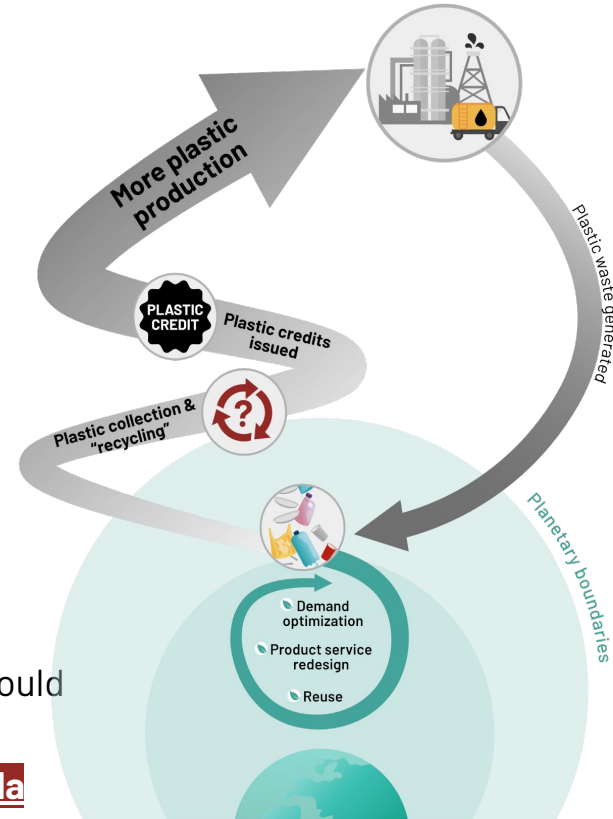
- ❑ Credit based financing would not benefit Global South
- ❑ Privatization of waste management - private players have no accountability to the public
- ❑ Discourages waste segregation and Zero Waste systems locally
- ❑ Risk of crediting schemes seen as an alternative to EPR or diluting EPR laws
- ❑ Mismatch in plastic pollution between waste-generating location and the credit-generating location.
- ❑ Greenwashing - “plastic neutrality”, “offsets”, “plastic credits”, “net zero”, “plastic circularity”
- ❑ Aggravates Waste Colonialism in Global South

<https://www.breakfreefromplastic.org/smoke-and-mirrors/>



In conclusion

- ❑ Gives polluters license to keep polluting
- ❑ Dis-incentivises production reduction
- ❑ Does not account for impacts of different types of plastic
- ❑ No safeguards against negative impacts of offset projects
- ❑ Problem of “Additionality”
- ❑ Supports waste burning technologies
- ❑ No globally-codified standards
- ❑ Lacks transparency and accountability
- ❑ Unregulated, voluntary programs
- ❑ Displaces finance to informal sector
- ❑ A single piece of plastic if both collected and recycled could give rise to multiple credits



<https://www.no-burn.org/resources/unea-5-briefing-series-plastic-neutrality-and-credit/>

Thank you for listening!



Get in touch

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