

# Plastic Credits

for inclusive and transparent circularity

<b>Period</b>	01.2021–09.2022
<b>Countries</b>	Brazil, India, Mexico, Vietnam
<b>Project partners</b>	BVRio, Entreamigos, cirplus, Wuppertal Institute, rePurpose Global, Yunus Environment Hub, Rodiek, Nehlsen AG, Black Forest Solutions, GreenWorms, Eco Sattva, VRecycle

## Plastic Credits – A social inclusive market mechanism

Worldwide, 3.5 billion people do not have access to proper solid waste management services. A globally harmonized Plastic Credits market can help countries finance their waste collection and treatment services.

There is no legal definition for “Plastic Credits” (PC) yet. PC is understood as a transferable unit representing a specific quantity of plastic that has been collected from the environment and recovered. A vital aspect of plastic credits is that they are borderless. Plastic credits ensure that informal waste workers benefit from the trade of plastic credits as well as interested plastic credit buyers. They therefore offer significant opportunities for financing circular plastic systems, while providing a sustainable source of income to low-income groups.

However, uncoordinated and unregulated plastic credit schemes bear certain risks, especially with regard to incentives for waste prevention and the introduction of EPR systems.

### The project

The project aimed to establish reliable financial instruments (Plastic Credits/Circular Credits) by integrating transparent and inclusive mechanisms throughout the entire plastic waste value chain that can help countries finance systemic improvements of

their waste collection and treatment services. Tools and approaches have been developed and tested in Brazil, India, Mexico and Vietnam to create sustainable income opportunities while integrating larger volumes of post-consumer plastic waste into the value chain.



### Achievements

To establish Plastic Credits/Circular Credits as a robust mechanism for performance-based-payments of environmental services, benefitting the global circular economy, the project has:

1. Developed the ValuCred standardized process model (SPM) that allows transparent valorization, calculation, and verification of plastic credits for the benefit of the waste collectors. A handbook explains guiding principles for the integration of minimum requirements for the plastic credit market to foster greater transparency and accountability of all stakeholders involved. It is globally applicable while allowing for local tracing and measurement of social and environmental impacts through digital tools. The SPM has been tested in India and Vietnam.
2. Published a well-received retrospective of recent market dynamics: Plastic Credits - Friend or Foe? The report analysed the ability of the plastic credits market to create a market

- transition which anchors social justice and sustainability within its accounting mechanisms.
3. Technically evaluated the environmental impact (EIA) of Plastic Credits and developed benchmarks, focusing on pilot projects in India. The project financed the collection of more than 1,000 tons of low-value plastics in rural regions in Maharashtra, Goa, and Kerala. An assessment of environmental and social aspects was carried out using an environmental impact matrix that takes into account both direct (e.g. CO2 emissions) and indirect (e.g. health) components.
  4. Created markets for Plastic Credits through the Circular Action Hub, an online platform which connects circular economy projects and initiatives with organisations (e.g. corporates, donors, impact investors) interested in supporting them. Plastic credit markets were created by engaging 10 waste collector cooperatives in Brazil and supporting ~250 waste pickers with Circular Credits for collecting 1,562.5 tons of plastic waste.
  5. Established a local collection system in Mexico with 85 independent collectors (including 3 organizations) and recovered 169,535 tons of plastic from ending up in the ocean or landfill.

6. Connected Mexico's informal waste recovery sector with the global market demand for recycled plastics and supported the establishment of global market standards.
7. Supported local material standardization to ensure international competitiveness of recycled plastics based on DIN SPEC 91446.

## PREVENT Waste Alliance

The PREVENT Waste Alliance serves as an international 'think and do tank' for circular economy practitioners. As a platform for knowledge exchange and international cooperation, it brings together organisations from the private sector, academia, civil society and public institutions. PREVENT's mission is to advance the circular economy in low- and middle-income countries by minimising waste, eliminating pollutants, and maximising the reuse of resources in the economy worldwide.

This project was selected in a call for innovative and scalable solutions to build a circular economy.

The PREVENT Waste Alliance was launched in 2019 by the German Federal Ministry for Economic Cooperation and Development.



### Imprint

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Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH  
 PREVENT Waste Alliance  
 Friedrich-Ebert-Allee 32 + 36  
 53113 Bonn  
 Germany

T +49 61 96 79-0  
 F +49 61 96 79-11 15

E [info@giz.de](mailto:info@giz.de)  
[contact@prevent-waste.net](mailto:contact@prevent-waste.net) | [www.giz.de](http://www.giz.de)

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More information: [www.prevent-waste.net/en/](http://www.prevent-waste.net/en/)