



**PREVENT**  
Waste Alliance

## Plastic Credits for inclusive and transparent circularity Factsheet

<b>Period:</b>	01.2021 – 06.2022
<b>Countries:</b>	Brazil, India, Mexico, Vietnam
<b>Project partners:</b>	<a href="#">BVRio</a> , <a href="#">Entreamigos</a> , <a href="#">cirplus</a> , <a href="#">Wuppertal Institute</a> , <a href="#">rePurpose Global</a> , <a href="#">Yunus Environment Hub</a> , <a href="#">Rodiek</a> , <a href="#">Nehlsen AG</a> , <a href="#">Black Forest Solutions</a>
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<b>More details:</b>	<a href="https://prevent-waste.net/en/pilotprojects/plastic-credits/">https://prevent-waste.net/en/pilotprojects/plastic-credits/</a>

### Plastic Credits – A social inclusive market mechanism

Globally 3.5 billion people don't have access to proper solid waste management services. Most affected are low-income communities and (semi-) rural areas. Due to a lack of source segregation and separate collection, in areas where formal services are offered, the collection of recyclables depends almost entirely on the informal sector. Informal waste workers are amongst society's most marginalized groups, often being systemically deprived access to sustainable income sources and basic social services. Commonly, no recognition of their services is given, and crisis such as COVID-19 intensify their vulnerability. A globally harmonised Plastic Credits market can help countries finance their waste collection and treatment services.

A vital aspect of Plastic Credits is that they are borderless and underpinned by robust principles and standardised processes that ensure that informal waste workers are benefitting from the trade of plastic credits as well as interested Plastic Credit buyers. Rigorous independent verification will create transparency as well as traceability of material and monetary flows in the waste value chain. Thus, Plastic Credits are an innovative market mechanism to provide a sustainable source of income for low-income groups in developing countries that engage in waste collection of plastics and its recovery and recycling.

### Project target groups:

- Workers throughout local waste value chain
- Local recycling facilities
- Systemically underfunded low-income communities and (semi-)rural areas
- Producers with an interest in spearheading potential Extended Producer Responsibility (EPR) solutions in low-income countries
- Plastic credit registries and trading platforms



## Activities:

The project aims to establish reliable financial instruments, Plastic 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 that will secure sustainable income opportunities alongside increased amounts of post-consumer plastic waste to be integrated into the value chain are developed and tested in Brazil, India, Mexico, and Vietnam to demonstrate the effectiveness of transformational investment from a robust Plastic Credits system with the potential to establish an independent process standard for an inclusive circular economy of plastics. To establish Plastic Credits as a robust mechanism for performance-based-payments of environmental services, benefitting the global circular economy, the project will:

1. Develop a standardised process model that will allow transparent valorisation, calculation, and verification of plastic credits for the benefit of the informal sector, to be tested in India and Vietnam.
2. Technically evaluate the environmental impact (EIA) of Plastic Credits to develop benchmarks, focusing on pilot projects in India.
3. Establish a local collection system in Mexico and offering plastic recyclates through the 'cirplus' global marketplace.

4. Creating markets for Plastic Credits through the Circular Action Hub by engaging waste collector cooperatives in Brazil and Mexico.

### PREVENT Waste Alliance

The PREVENT Waste Alliance serves as a platform for exchange and international cooperation. Organisations from the private sector, academia, civil society and public institutions jointly engage for a circular economy. The PREVENT members contribute to minimising waste, eliminating pollutants and maximising the reutilisation of resources in the economy worldwide. They strive to reduce waste pollution in low- and middle-income countries and work together for the prevention, collection, and recycling of waste, as well as the increased uptake of secondary resources.

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

### Published by

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### On behalf of

German Federal Ministry for Economic Cooperation and  
Development (BMZ)  
Environmental policy, urban development, mobility, circular  
economy, marine conservation  
Bonn, Germany

This project is funded by the PREVENT Waste Alliance, an  
initiative of the German Federal Government.

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

February 2021