

Verra’s written submission in response to the Call for Submission- potential options for elements towards an international legally binding instrument

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

Verra attended the first meeting of the intergovernmental negotiation committee to develop a Global Plastic Treaty (INC-1) and supports the need to address the full life cycle of plastics. Verra previously submitted a detailed [position statement](#).

Verra’s [Plastic Waste Reduction Standard \(Plastic Standard\)](#) can support the effective design and implementation of a legal instrument on plastic pollution in the following ways:

1. The [Plastic Standard](#), along with its supporting documents, can provide a uniform framework for designing, implementing, monitoring, and reporting plastic waste collection and recycling activities in line with environmental and social safeguards, particularly to mitigate the health and social risks affecting the informal sector.
2. Plastic Credits issued to projects collecting and recycling plastic waste beyond an established baseline drive investment towards setting and scaling up activities needed to stop plastic leakage and keep plastic in a circular loop.

In this submission, we propose several core obligations and control measures and describe how the *Plastic Standard* and Plastic Credits certified to Verra’s *Plastic Standard* can support these obligations to address plastic pollution.

I. Substantive elements

1. Objective(s)

a) *What objective(s) could be set out in the instrument?*

Proposed Objective:

Reduce net plastic leakage into nature, particularly in the marine environment, through a combination of upstream and downstream interventions whilst protecting the interest of the most vulnerable communities that are disproportionately affected by the impacts of plastic pollution.

2. Core obligations, control measures and voluntary approaches

a) *What core obligations, control measures and voluntary approaches would provide a comprehensive approach to addressing plastic pollution, including in the marine environment, throughout the full life cycle in line with the future objective(s) of the instrument?*

Proposed core obligations:

- 1) Reduce net plastic leakage into nature through a combination of upstream and downstream interventions that reduce plastic at source and remediate legacy plastic pollution
- 2) Prioritize solutions to manage plastic pollution in vulnerable and at-risk geographies, including developing countries and Small Island Developing States (SIDS)
- 3) Recognize, identify and mitigate specific human rights issues affecting the informal sector to support the treaty's vision of a "just transition"

Proposed control measures to meet the core obligations outlined:

1) Drive investment to scale plastic waste collection and recycling infrastructure, including in vulnerable geographies

Upstream solutions (e.g., scaling up reuse, reducing the use of virgin plastic, redesigning for recyclability) must be prioritized to reduce plastic pollution at source. However, despite the most aggressive internal action, investments are still required to address the plastic that has already and will continue to leak into the environment until society has built a more circular plastic economy.

Plastic Credits can be a useful tool to drive investments into plastic waste management activities in priority regions to meet global, regional, or corporate stewardship goals.

Plastic Credits certified to an international standard such as Verra’s Plastic Standard can provide a uniform mechanism for investing in plastic waste collection and recycling infrastructure needed to collect and keep plastics in a circular system, thereby reducing net plastic leakage into the environment. Plastic Credits can be particularly impactful when driving such investments in geographies that are most vulnerable to the impacts of plastic pollution. This includes developing countries and SIDS that have a high rate of plastic leakage (i.e., when plastic exits a system of proper management) and are burdened with the issue of legacy plastic waste.

2) Increase availability of recycled feedstock to accelerate transition to a circular economy

Projects generating Plastic Credits channel finance to collection and recycling activities that help ensure a steady supply of recycled material. Initiatives such as the European and the US Plastic Pact require companies to achieve an average of at least 30% recycled content in their packaging by 2025¹. While these initiatives are welcome, existing collection and recycling systems are not sufficient to provide the amount of recycled material needed to meet these goals. It has been projected² that, by 2030, only 10-14% of total plastic consumed will be recycled annually, not enough to supply the feedstock required for meeting government and private sector commitments. This misalignment between demand and supply will inevitably inflate prices for recycled content or permanently reduce demand. By driving investments into the development of new or scaled-up recycling infrastructure that can increase recycling rates, companies can meet their recycled content targets in a timely manner.

3) Incentivize collection and safe disposal of non-recyclable plastic

Plastic Credits can incentivize collection and safe disposal of non-recyclable plastic waste to appropriate end destinations.

The methodologies applied in conjunction with the Plastic Standard provide guidance on environmentally sound management of plastic wastes and their end-of-life disposal. The [Plastic Waste Collection Methodology, v1.1](#), and the [Plastic Waste Recycling Methodology, v1.1](#) outline the appropriate end-of-life destinations for plastic waste collected and recycled. These requirements are periodically revised to align them with the most current research and stakeholder feedback.

4) Support new and existing Extended Producer Responsibility (EPR) schemes to scale their impact

Plastic Credits can drive investments into new and expanded plastic waste collection and recycling activities where EPR schemes do not yet exist. The Plastic Standard can also support nascent EPR schemes, which may take several years to develop and become fully functional, with proven waste reduction projects and a robust framework to assess the impact of EPR initiatives.

¹ <https://usplasticspact.org/take-action/>;
<https://europeanplasticspact.org/targets/#:%7E:text=Move%20towards%20a%20more%20responsible,an%20absolute%20reduction%20in%20plastics>

² <https://www.bain.com/insights/improving-sustainability-and-circularity-in-plastics-enr-report-2022/>

In addition, regulators could offer companies subject to EPR requirements the possibility of using Plastic Credits in lieu of paying EPR fees, which would drive finance directly to projects and reduce the government’s administrative burden.

Integrating the Plastic Standard into EPR schemes can help build local auditing capacity to meet the robust validation and verification requirements of the Plastic Standard.

Finally, the Plastic Standard can improve the schemes’ impact through the inclusion of quality assurance principles such as additionality, third-party verification, transparency, and compliance with stakeholder engagement and social and environmental safeguard requirements. The latter two are particularly critical for a “just transition” to ensure that the shift toward a more sustainable plastic waste ecosystem includes the most marginalized stakeholders.

5) Improve livelihoods and working conditions of informal waste workers, and empower them through inclusive consultation

The sale of Plastic Credits from informal activities can provide upward mobility opportunities, and – with appropriate social safeguards in place – Plastic Credits can support the treaty’s vision of a “just transition.”

Verra’s Plastic Standard recognizes the social and health risks associated with the informal sector and incorporates requirements for safe working conditions, fair wages, and improved livelihoods for participating waste pickers and collectors. It provides detailed guidance on stakeholder identification, consultation, and engagement, requiring directly impacted stakeholders to be continually consulted about the project activities being implemented.

Plastic Credits can either be used directly to fulfill the core obligations proposed above or be incorporated into voluntary approaches that raise the level of ambition for addressing plastic pollution downstream.

II. Implementation elements

1. Implementation measures

- a) *How to ensure implementation of the instrument at the national level (e.g. role national action plans contribute to meeting the objectives and obligations of the instrument?)*
- b) *How to ensure effectiveness of the instrument and have efficient national reporting?*
- c) *Please provide any other relevant proposals or priorities here on implementation measures (for example for scientific and technical cooperation and coordination as well as compliance).*

National action plans (NAPs) are expected to be a central mechanism for implementing and measuring progress against the instrument at the regional level. Reporting under a NAP should be based on sound frameworks and metrics, ensure transparency and accountability, and compare impacts at the project and national level.

We propose that the treaty leverage existing globally approved standards and frameworks to avoid duplication of efforts. Verra's *Plastic Standard* and approved methodologies could assist governments in:

- Establishing baselines for determining incremental collection and/or recycling outputs;
- Incorporating minimum standards for social and environmental safeguards when developing plastic waste management infrastructure;
- Establishing criteria for measuring and monitoring the impact of a collection or recycling activity; and
- Developing an effective and inclusive stakeholder engagement process, particularly incorporating requirements to consult and address concerns of the most vulnerable and marginalized stakeholders.

2. Means of Implementation

With respect to means of implementation, document UNEP/PP/INC.1/5 covers the following elements: capacity-building, technical assistance, technology transfer on mutually agreed terms and financial assistance.

a) *What measures will be required to support the implementation of the instrument?*

Financial assistance will be essential to the implementation of the treaty. An analysis of existing funding interventions and issues relevant to the diverse funding landscape have been noted in UNEP/PP/INC.1/9. Plastic Credits can ease several of these challenges and enhance the impact of new and existing funding mechanisms by:

1. Securing private sector investment

Private sector investment will be crucial to address plastic pollution. However, raising such investment is currently challenging due to a lack of financial incentives and viable business models. Plastic Credits can catalyze private sector investment to support the transition from a linear to circular economy. Companies can match their impact in key production regions or regions with high leakage into the environment through the purchase of Plastic Credits. By combining internal reductions with beyond-value-chain investments in the form of Plastic Credits, companies can make credible contributions to their plastic stewardship goals.

2. Increasing accessibility of multilateral funds for national governments

Supply-side challenges, such as the absence of bankable and scalable projects, exist which prevent several countries from accessing multilateral funding. Projects funded with Plastic Credits can provide a proven track record of demonstrating collection and recycling impacts, making them attractive for further funding considerations.

3. Harmonizing due diligence principles for multilateral development banks

As the plastic pollution sector is a new investible for Multilateral Development Banks, their project assessment criteria are still developing. The *Plastic Standard* can standardize the due diligence process of multilateral development banks, incorporating environment and social safeguard requirements, thereby shifting focus towards projects that prioritize mitigating health and social risk across the plastic value chain.

4. Amplifying the impact of existing funding schemes or approaches, such as national EPR

In several countries, EPR and Plastic Credits have been operating as disparate downstream instruments. Recognizing Plastic Credits under national EPR schemes can accelerate regional plastic waste collection and recycling goals by integrating these two powerful tools. India and the Philippines have set a precedent by including plastic credits as one of the means to fulfill EPR obligations.

5. Assuring impactful administration of newly established financial mechanisms

A multilateral fund to support the implementation of the treaty is being discussed. Plastic Credit projects may be an attractive vehicle for supporting plastic waste collection and recycling activities in specific geographies as they allow for robust measurement and reporting of the fund's impact. Parallels have been observed in the climate change space, such as the Global Environment Facility (GEF)³, which finances nature-based solutions via carbon credits.

³ <https://www.thegef.org/projects-operations/projects/10500>

III. Additional input

Please provide any other relevant proposals or priorities here (for example introductory elements; awareness-raising, education and exchange of information; research; stakeholder engagement; institutional arrangements and final provisions).

No additional input to provide.

About Verra

Verra develops and manages a range of programs including the [Plastic Waste Reduction Program \(Plastic Program\)](#), [Verified Carbon Standard Program](#), which is the world's largest voluntary carbon crediting program (1 billion credits issued to date), the [Climate, Community & Biodiversity Program](#), and the [Sustainable Development Verified Impact Standard](#).

The *Plastic Standard* sets out requirements for the issuance of Plastic Credits based on the volume of plastic collected or recycled above baseline rates and audited by an independent third party. 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 the development of new and scaled-up recycling projects. There are two types of credits issued under the *Plastic Standard* – Waste Collection Credits (WCCs) and Waste Recycling Credits (WRCs) – which distinguish the type of infrastructure investment realized.

The application of the *Plastic Standard* and the use of Plastic Credits can effectively support the implementation of plastic waste reduction commitments and obligations. 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 input. We are available to answer any questions or provide further information regarding our programs.

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