**Plastic Waste Reduction Project**

**What is a Plastic Credit?**

Applicable Standard: **Verra**

Methodology:

|  |  |  |
| --- | --- | --- |
| **Verra** | **Reference Number** | **Status** |
| Plastic Collection | PWRM0001 | Active |
| Plastic Recycling | PWRM0002 | Active |

Plastics Covered:

* PET (Polyethylene Terephthalate)
* HDPE (High-density polyethyle)
* PVC (Polyvinyl Chloride)
* LDPE (Low-density polyethylene)
* PP (Polypropylene)
* PS (Polystyrene)
* EPS (Expanded Polystyrene)
* Other Plastics
* Composite materials

Crediting Period:

**7 years, twice renewable for a total of 21 years, or 10 years fixed.**

Requirements:

|  |  |
| --- | --- |
| **Start date** | **Date of Validation completion** |
| 01 Jan 2016 – 31 Dec 2021 | 31 Dec 2023 |
| On/After 1 Jan 2022 | Within 2 years of start date |

A Plastic Credit is a tradable unit that is issued to the developer of a plastic waste collection and/or recycling project. Plastic Credits can be purchased by a company or organization, and the revenue from the sale of the Plastic Credits supports the implementation, operation, and scaling up of plastic waste collection and/or recycling.

**What are the types of Plastic Credit?**

2 types of credits are collectively known as Plastic Credits. Once verified, projects that enable plastic to be **collected** from the environment may be issued **Waste Collection Credits (WCCs),** and projects that enable plastic to be **recycled** may be issued **Waste Recycling Credits (WRCs).**

**Each Plastic Credit** represents **one ton** of plastic waste that otherwise would not have been collected or recycled.

**Eligible Activities in Collection**

Project activities that result in the plastic waste collection from the environment through informal ( ex: ragpickers) or formal (local authority/ govt bodies) means. It can also include capacity addition activity increasing the total capacity of the collection activity.

The sources and end-life destinations ( such as reprocessing, mechanical /chemical recycling, incineration with energy recovery, and the landfill (least preferred option) ) of the collected waste should be identified. The activity should not divert plastic waste from any existing collection activity.

**Ineligibility**

Activities such as open burning, dumping on open land, water bodies, or incineration without energy recovery, transboundary movement of plastics (except the Least

Developed Countries (LDC) / Small Island Developing States (SIDS)) are ineligible.

**Eligible Activities in Recycling**

Project activities that result in recycled plastic waste through the installation of a new recycling facility, capacity addition or technology improvement of existing units, incentivizing and/or facilitating an increase in the collection are eligible.

**Eligible Sources**

The plastic waste being recycled is either collected or diverted from the environment, landfill, open burning, incineration with /without energy recovery, households/ commercial entities, or any other waste management option that does not allow for a second life of the plastic waste.

**Waste Collection Credit Revenue**

|  |  |  |
| --- | --- | --- |
| **Collection** | **Value** | **Units** |
| Plastic Collected | 50 | Tons Per Day |
| Total Plastic Credits | 18000 | Per year |
| 1 Waste Collection Credit (WCCs) | 30\* | USD |
| Net Revenue per year | 365100 | USD |

**Waste Recycling Credit Revenue**

|  |  |  |
| --- | --- | --- |
| **Recycling** | **Value** | **Units** |
| Plastic Collected | 50 | Tons Per Day |
| Recycling rate | 50 | Percent |
| Recycled Plastic | 25 | Tons Per Day |
| Total Plastic Credits | 9000 | Per year |
| 1 Waste Recycling Credit (WRCs) | 60\* | USD |
| Net Revenue per year | 365100 | USD |

\*Market based assumption

Note: Values are not typical.

**Ineligibility**

The plastic waste has been collected in and imported from other countries, except

a. Plastic imported from an LDC or SIDS

b. Plastic imported from other countries for further processing where there is insufficient plastic available in the exporting country to enable the development of recycling infrastructure at the time of project validation.

**Additionality**

The project activity should be additional by demonstrating that the activity results in collected or recycled plastic waste that is more than what would most likely have occurred in the absence of the project activity and the activity would have not occurred in the absence of the incentive provided by the plastic crediting mechanism.

Project activity must demonstrate additionality by one or more of the following methods

1. **Regulatory surplus** - Mandatory condition: Compliance rate with laws/ regulations must be less than 50%. The rate shall include Extended Producer Responsibility (EPR) schemes relevant to the project.

2. **Activity Method - Positive List**: Deemed additional if the activity is in the Positive List as per the Methodology.

3. **Penetration Rate**: The ratio between plastic waste collection/ recycled and plastic waste produced in the region is below 20 %

4. **Investment Analysis**: Demonstrate that the project activity is not economically or financially attractive.