

TEMPLATE FOR SUBMISSIONS (part a)

Name of country (for Members of the committee)	
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Elements not discussed at INC-2

1. Scope

What is the proposed scope for the future instrument?

Which types of substances, materials, products and behaviors should be covered by the future instrument?

Introduction - Who we are?

BVRio is making this written submission representing the Core Group on Verified Plastic Recovery of the [PREVENT Waste Alliance](#). Throughout 2023, the PREVENT Waste Alliance, an international ‘think and do tank’ for circular economy practitioners, has been supporting this Working Group, which involves the following organisations: BVRio, CleanHub, Cirplus, Delterra, Empower, everwave, NIDISI, Phoenix FTA, PCX Solutions, rePurpose Global, Rodiek/Nehlsen, Sarape CircuLab, TONTOTON, WasteReduction, Wuppertal Institut, and Zero Plastic Ocean. We would like to present our proposal for an outcomes-based financial instrument, which can serve to support and scale plastic recovery and management services in developing countries.

Proposed scope:

The PREVENT Core Group on Verified Plastic Recovery proposes an instrument called the Verified Plastic Recovery Unit (VPU) to the UN plastic treaty. It is an independently verified financial instrument to support the collection and management of currently mismanaged plastic waste, in order to prevent it from polluting the environment. This VPU instrument is meant to complement EPR regulations and facilitate the transition towards EPR.

According to the OECD, an additional [EUR 25 billion per year](#) is required to significantly improve waste management infrastructure in low-and-middle income countries. The proposed means of implementation, called the Verified Plastic Recovery Unit or “VPU”, is designed as a financial incentive

to ensure that plastic waste with little to no commercial value can also be collected and managed in an economically feasible manner.

This VPU instrument allows for funds to be raised from private corporations, philanthropic institutions, multilateral and bilateral development finance institutions, as well as other non-governmental organisations. These funds will pay for and help scale up local plastic waste management services, typically in developing countries. VPUs can also serve as an instrument to complement existing Extended Producer Responsibility (EPR) programmes; or serve as a preparatory step, or a transitional instrument towards EPR in countries where EPR is not yet implemented.

The Verified Plastic Recovery Unit (VPU) is an outcomes-based financial instrument designed to mobilise necessary funding to waste collection projects around the world. Every VPU guarantees that 1 tonne of plastic waste was either prevented from polluting the environment or was removed from the environment, while generating socio-economic benefits. VPUs are based on a set of minimum requirements for local plastic collection services, which are independently verified, as well as collected and managed in a socially inclusive way. The instrument aims to “leave nothing and no-one behind”.

Explanatory Text:

It is well understood that municipal waste collection is chronically underfunded, especially in developing countries and Small Island Developing States (SIDS), where local authorities struggle to recycle, sort and even collect mixed municipal solid waste. A direct consequence of this lack of collection is that huge amounts of plastic waste enter the environment, rivers and oceans, as well as impacting the health of citizens via common inappropriate disposal practices, such as open air burning of plastic waste.

While EPR regulations are a more comprehensive means of addressing the problem, agreeing on and implementing EPR regulations can take years. Considering the urgency of the matter, the Verified Plastic Recovery Unit (VPU) instrument provides the immediate funding to collect, transport and bring plastic waste to a more appropriate destination, helping to bridge this funding gap in a shorter time frame.

This means of implementation would contribute towards meeting some of these core obligations as suggested in the Options paper before INC-2:

- Core obligation 5: strengthening waste management
- Core obligation 9: eliminating the release and emission of plastics to water, soil and air
- Core obligation 10: addressing existing plastic pollution
- Core obligation 11: facilitating a just transition, including an inclusive transition of the informal waste sector

There is ample evidence that free-market waste collections in developing countries only contribute to the collection and recycling of a very small portion of the plastic packaging placed into national markets. Under free-market circumstances financial incentives for informal waste pickers only exist for the most valuable plastic materials for recycling (usually PET and HDPE), leading to ‘cherry-picking’, with the majority of plastics with low or no commercial value and other wastes remaining uncollected or mismanaged, ultimately leaking into the environment. In this scenario, a financial

incentive is essential for ensuring the collection and proper management of the non-commercially recyclable plastic waste. This urgently needs to be addressed in the short-term.

2. Principles

What principles could be set out in the future instrument to guide its implementation?

Proposed principles:

The core principles of the Verified Plastic Recovery Unit (VPU) are:

1. Transparency
2. Legal Compliance
3. Impact

All organisations issuing Verified Plastic Recovery Units (VPUs) must meet a set of pre-established minimum requirements, based on these three principles. The minimum requirements have been designed to pave the way for forthcoming EPR regulations or contribute to existing EPR practices. The instrument and the PREVENT Core Group on Verified Plastic Recovery encourages local service providers to set higher standards than the minimum requirements described below, allowing these organisations to attract more funding per tonne (metric ton) of plastic waste collected and managed.

Explanatory Text:

A Verified Plastic Recovery Unit (VPU) can be issued for every tonne of post-consumer plastic waste that has been collected and managed according to the following minimum requirements:

TRANSPARENCY:

1. The service has been verified by an independent third party, using a risk-based approach, verifying both the project in the field, and the process transactions of the service.
2. The service makes materials and payment flows traceable from source to destination.
3. There has been no double counting of either collection, or of the sale of tonnes of plastic waste.

LEGAL COMPLIANCE:

1. The service complies with the applicable national laws.

IMPACT:

1. The service focuses on post-consumer plastic waste.
2. The service focuses on non-commercially recyclable plastic waste, given the locally available infrastructure, market dynamics and/or logistics costs.

3. The service ensures that the plastic waste goes to the best possible local destination for waste compared to the source of waste, given the locally available infrastructure and technology.
4. The service collects a higher tonnage of plastic waste than what would have been achieved in the absence of this service.
5. The collected waste has been sorted to recover any commercially recyclable materials, whenever feasible as well as socially and environmentally acceptable and not harmful to workers.
6. The service aims to minimise and mitigate any unintended harm to society and the environment resulting from its activities.
7. The service aims to create better working conditions for any informal collectors engaged by this service, than in the absence of the service.

3. Additional considerations

Provide any other relevant inputs, proposals or priorities here that have not been discussed at INC-2 (e.g. preamble; institutional arrangements, including governing body, subsidiary bodies, scientific and technical cooperation and coordination, and secretariat; final provisions including dispute settlements; and if appropriate annexes).

Proposed inputs:

With the proliferation of environmental claims, labelling schemes, and initiatives over the past decades, each offering different performance indicators and benchmarks, it becomes increasingly important to establish and adhere to harmonised and clear communication for both suppliers and buyers of environmental services and products. Since these environmental claims offer potential commercial benefits, the assurance of reliability of those environmental claims, labelling schemes, and initiatives is paramount. Therefore, evidence-based, independent third-party verifications should be adequately conducted to avoid negative market impacts and unfair competition, which can arise from unreliable or deceptive environmental claims.

The objective of this proposal by the PREVENT Core Group on Verified Plastic Recovery is to provide an outcomes-based financial instrument (VPU) that will encourage both the demand for and the supply of plastic recovery and management services in an accurate and verifiable manner.

Explanatory Text:

All organisations involved in generating and/or issuing VPUs are committed to establishing stringent guardrails to combat greenwashing. This form of deception reduces trust and erodes the credibility for both suppliers and buyers in the used plastics recovery and management business. It ultimately misleads consumers causing them to make less sustainable consumption choices.

To foster the trust in VPUs as reliable and robust financial instrument (that can attract funds for tailored bottom-up solutions in consideration of national, regional, and local circumstances), all organisations generating and/or issuing VPUs are committed to honour transparency, clarity, and environmental integrity in their external and internal communications that ensure that their environmental claims, labelling schemes, and initiatives are verifiable and as such evidence-based.

Disclaimer:

This position was developed within the PREVENT Core Group on Verified Plastic Recovery. The PREVENT Waste Alliance serves as an international 'think and do tank' for circular economy practitioners, it brings together more than 450 organisations from the private sector, academia, civil society and public institutions. The views and opinions of the authors do not necessarily reflect the positions of all PREVENT Waste Alliance members or official policy positions of the governments involved.