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ACCELERATING INVESTMENTS FOR PLASTIC CIRCULARITY

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Scale of the Challenge in Asia-Pacific

Financing Gap

A 2023 UNEP report estimates the global financing gap for plastic pollution is between \$50-120 billion per year, potentially reaching \$1.64 trillion.

Asia as a Hotspot

Asia is the global hotspot for plastic pollution. Region only accounted for 8% (US\$12 billion) of plastic circularity investments. 90% (US\$142 billion) went to North America and Europe (TCI, 2023).

Upstream vs Downstream

85% of investments went to plastic recovery and recycling while reuse and refill (plastic reduction) received very little investment (5%) (TCI, 2023).

Global Plastics Treaty

Financing to address plastic pollution has become a significant topic of discussion for the development of a global plastics treaty.

Role of Government

Governments at all levels play a key role in catalyzing investment in plastics circularity.

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What is “Financing” and Other Related Terms?

Project Financing	Funds required to construct or operate a facility or business.	
Partner vs Stakeholder	Partner: Person/entity has a stake in the project or business (i.e. funding invested)	Stakeholder: Person/entity affected or can affect a business or project
Mechanism vs Instrument	Mechanism: How is the cash is transferred and managed	Instrument: Product (i.e. type of loan)
Donor vs Investor	Donor: Organizations (i.e. governments, philanthropies) that provide funds and have a more diverse expectation of return	Investor: Entity (individuals or companies) that provide funds with an expectation of a financial or asset return
Public vs Private Finance	Public: Funding that comes from budgets of governments that are usually generated through taxes or fees.	Private: Funding that comes directly from capital markets and institutions
De-risking	Pre-research, designing, structuring, or managing a project so that it achieves the objectives	



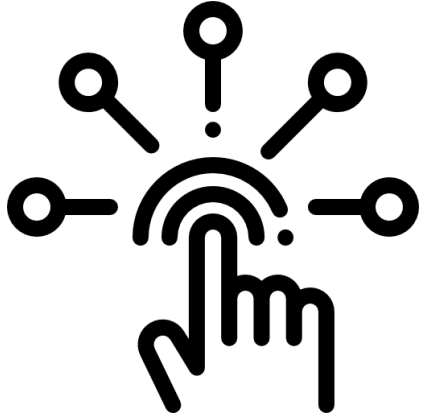
Types of Public and Private Financing

Type	Sources and intermediaries	Financial instruments and mechanisms	Receivers and implementers
Public financing	<ul style="list-style-type: none"> Government ministries Public agencies and funds Development finance institutions, aid agencies (national, bilateral, multilateral) Multilateral environment funds 	<ul style="list-style-type: none"> Government budgets Grants, subsidies, transfers Debt instruments Investment guarantees Co-financing Project finance 	<ul style="list-style-type: none"> Central government Sub-national and local government Public utilities, state-owned enterprises Specialized public agencies International organizations Research institutes (i.e. for research grants) Private companies, startups Non-governmental organizations, foundations, non-profits, civil society groups
Private financing	<ul style="list-style-type: none"> Institutional investors Asset managers Commercial banks Corporations Entrepreneur support organizations Philanthropic and corporate foundations Individuals and family offices 	<ul style="list-style-type: none"> Equity/debt financing Impact investments Accelerator/incubator investments Venture capital Individual/crowdfunding Philanthropy 	

Source: [OECD 2024](#)



Institutional Capacity Needs



- There are a wide range of options to secure more funding from public and private sources to fund plastic circularity activities in Asia.
- Each financing option has different intended objectives/outcomes and pros/cons.

- Governments are tasked with developing and implementing plans to manage plastic waste through circular interventions, which require significant financial resources.
- Capacity building needed about the policy and non-policy actions that governments can take to accelerate financing for plastics circularity projects and how to de-risk projects and businesses.

