

The views expressed in this presentation are the views of the author/s and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequence of their use. The countries listed in this presentation do not imply any view on ADB's part as to sovereignty or independent status or necessarily conform to ADB's terminology.



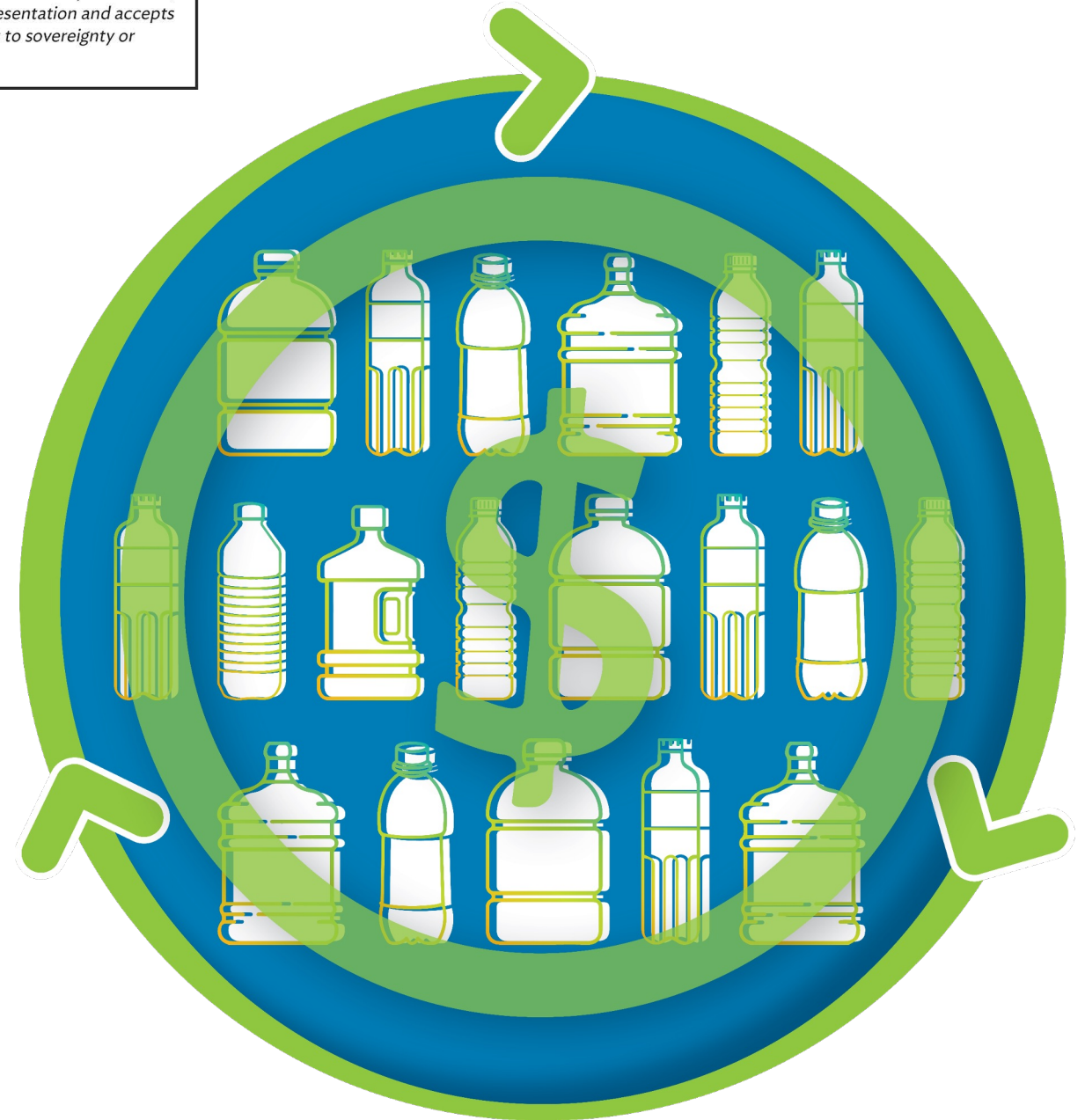
# ACCELERATING INVESTMENTS FOR PLASTIC CIRCULARITY

26–27 June 2024 • Jakarta, Indonesia

WITH SUPPORT FROM



IN CONSORTIUM WITH



# 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.

ADB

# What is “Financing” and Other Related Terms?

<b>Project Financing</b>	Funds required to construct or operate a facility or business.	
<b>Partner vs Stakeholder</b>	<b>Partner:</b> Person/entity has a stake in the project or business (i.e. funding invested)	<b>Stakeholder:</b> Person/entity affected or can affect a business or project
<b>Mechanism vs Instrument</b>	<b>Mechanism:</b> How is the cash is transferred and managed	<b>Instrument:</b> Product (i.e. type of loan)
<b>Donor vs Investor</b>	<b>Donor:</b> Organizations (i.e. governments, philanthropies) that provide funds and have a more diverse expectation of return	<b>Investor:</b> Entity (individuals or companies) that provide funds with an expectation of a financial or asset return
<b>Public vs Private Finance</b>	<b>Public:</b> Funding that comes from budgets of governments that are usually generated through taxes or fees.	<b>Private:</b> Funding that comes directly from capital markets and institutions
<b>De-risking</b>	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"> <li>Government ministries</li> <li>Public agencies and funds</li> <li>Development finance institutions, aid agencies (national, bilateral, multilateral)</li> <li>Multilateral environment funds</li> </ul>	<ul style="list-style-type: none"> <li>Government budgets</li> <li>Grants, subsidies, transfers</li> <li>Debt instruments</li> <li>Investment guarantees</li> <li>Co-financing</li> <li>Project finance</li> </ul>	<ul style="list-style-type: none"> <li>Central government</li> <li>Sub-national and local government</li> <li>Public utilities, state-owned enterprises</li> <li>Specialized public agencies</li> <li>International organizations</li> <li>Research institutes (i.e. for research grants)</li> <li>Private companies, startups</li> <li>Non-governmental organizations, foundations, non-profits, civil society groups</li> </ul>
Private financing	<ul style="list-style-type: none"> <li>Institutional investors</li> <li>Asset managers</li> <li>Commercial banks</li> <li>Corporations</li> <li>Entrepreneur support organizations</li> <li>Philanthropic and corporate foundations</li> <li>Individuals and family offices</li> </ul>	<ul style="list-style-type: none"> <li>Equity/debt financing</li> <li>Impact investments</li> <li>Accelerator/incubator investments</li> <li>Venture capital</li> <li>Individual/crowdfunding</li> <li>Philanthropy</li> </ul>	

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.

ADB