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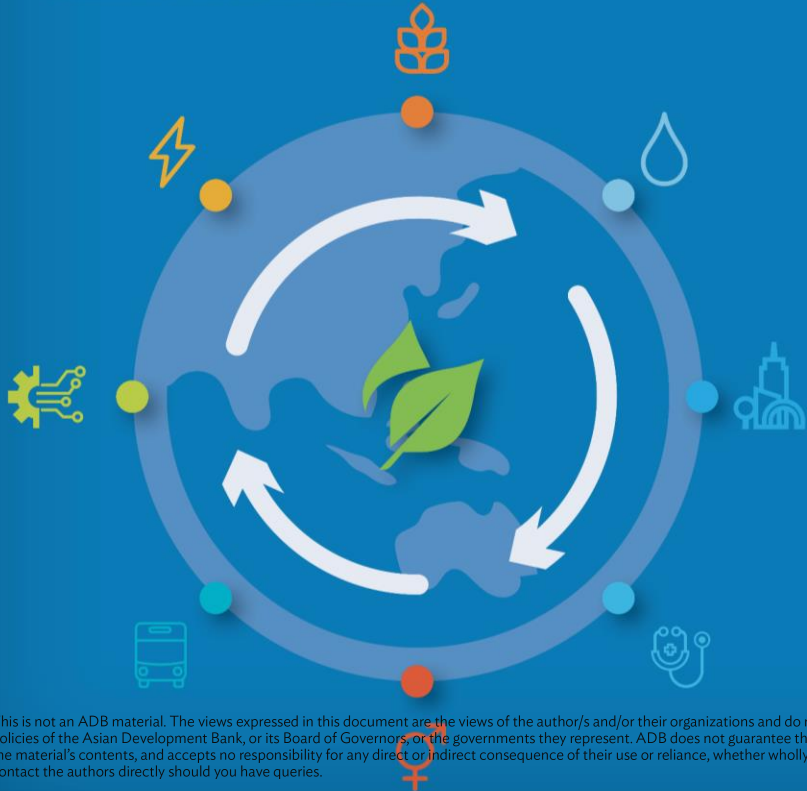
Webinars showcasing tech solutions, new approaches, emerging issues, and case studies inside circular economy.

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Financing Plastic Circularity: Recommendations to Overcome Market and Policy Challenges

26 February 2025 • 2:00–3:00 p.m.
Manila Time (UTC +8)
Online via Zoom



SPEAKERS



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KEY POINTS

- The global financing gap for plastic pollution is estimated to be \$50 billion–\$120 billion annually, potentially reaching \$1.64 trillion by 2040. Asia is the global hotspot for plastic pollution, but only accounted for 8% of plastic circularity investments because of a lack of stable investment and supportive policy environments.
- Governments are central to de-risking plastic circularity projects through economic and regulatory instruments.
- De-risking plastic circularity projects that rely on the informal sector requires capacity building, collaboration, and trust.
- Governments can benefit from technical assistance

Financing Plastic Circularity in Asia and the Pacific: How to Overcome Market and Policy Challenges and Create Impact

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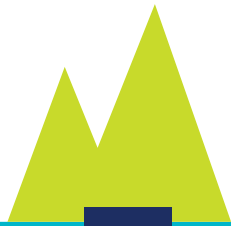
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ACCELERATING INVESTMENTS FOR PLASTIC CIRCULARITY

26-27 June 2024 • Jakarta, Indonesia



Overview: Why is financing plastic circularity important?

Asia and the Pacific is a hotspot for global plastic pollution



Volume of mismanaged plastic waste is projected to grow to over 250 million metric tons annually by 2040, with 8 out of 10 rivers transporting ~95% of plastics into the ocean located in Asia and the Pacific



Up to \$1.64 trillion needed by 2040 to finance required system change to reduce plastic pollution (UNEP FI, 2023)



Asia and the Pacific accounts for only 8% of plastic circularity investments, compared to nearly 90% in North America and Europe (Plastics Circularity Investment Tracker, 2023)

Challenges: Financing gap

Government

- Coordination and institutional arrangements
- Enforcement
- Monitoring & Evaluation

Small & Medium Enterprises

- Unclear regulatory frameworks and policy enforcement
- Lack of investor interest and awareness
- Limited information and available funding
- Higher perceived risk for new products, technologies, and business models



Challenges: Financing gap

Informal Sector

- Lack of formal recognition
- Limited knowledge and financial literacy
- Lack of or irregular formal employment record, documented financial history, credit history
- High transaction costs
- Social stigma

Women

- Limited access to financial products and services, assets
- Cultural norms and gender biases



Sources of 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](#)

Development Financing and the Role of ADB

Innovative Finance

- Blue Loans – Indorama, Alba Tridi
- Policy-based loan – Indonesia marine debris reduction
- Thematic bonds

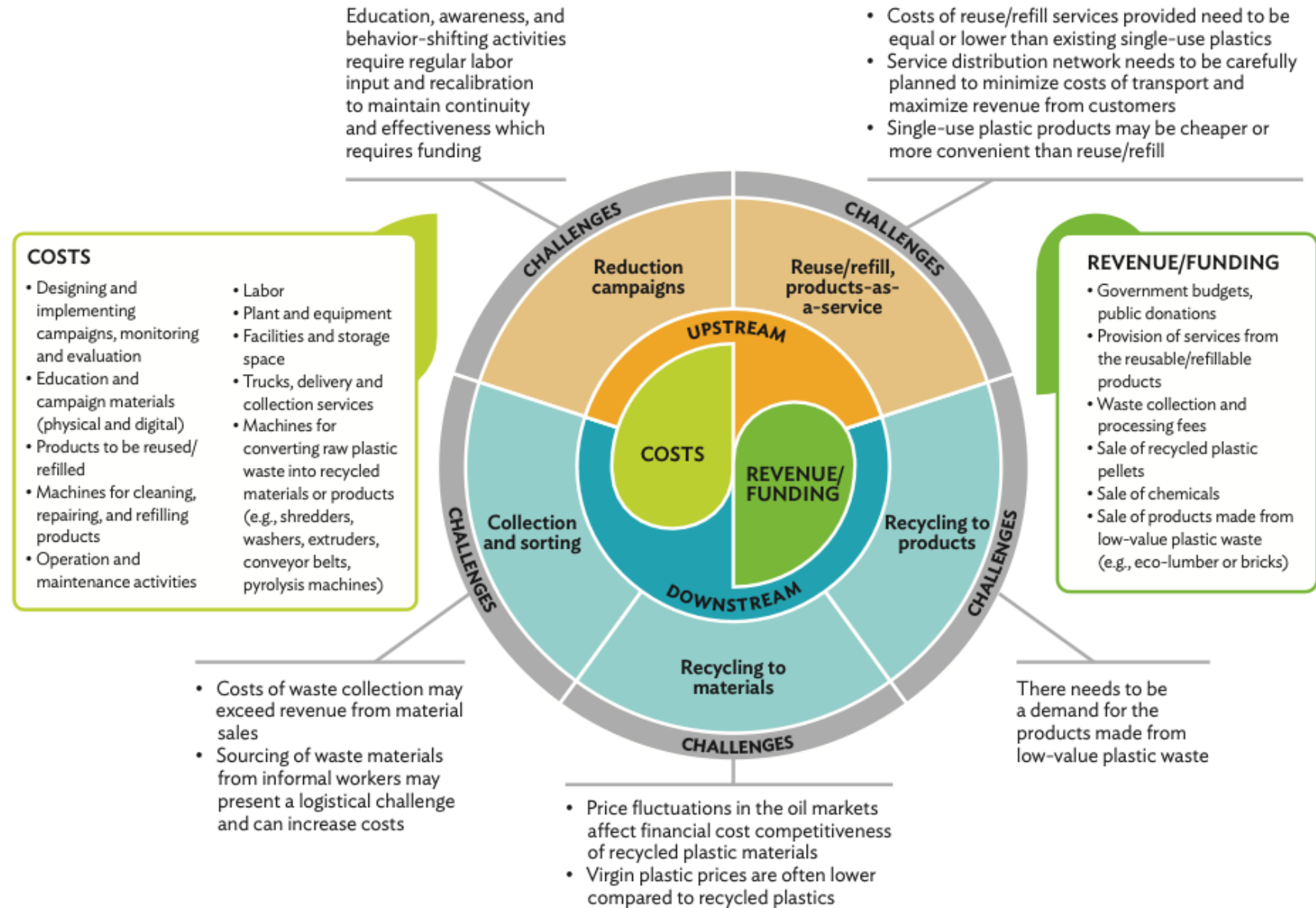
Technical Assistance

- Policy and advisory support
- Project preparation
- Capacity building



Business Initiatives and Challenges

- SMEs & large companies are implementing various innovations along the plastic value chain.
- SMEs offer agile solutions, but face challenges in accessing finance.
- Businesses cannot overcome all challenges on their own.
- Need supportive regulatory and market conditions.



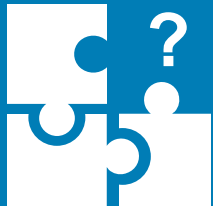
Government Initiatives and Challenges

Government Initiatives



- **Philippines:** The Philippines Extended Producer Responsibility Act requiring large companies to participate in EPR schemes
- **Thailand:** Board of Investment offers corporate income tax exemption for 8 years for recycled plastic pellets for food-grade applications
- **Viet Nam:** EPR policy implemented that requires product manufacturers and importers to recycle a certain share of packaging or provide a financial contribution to a government fund.

Challenges



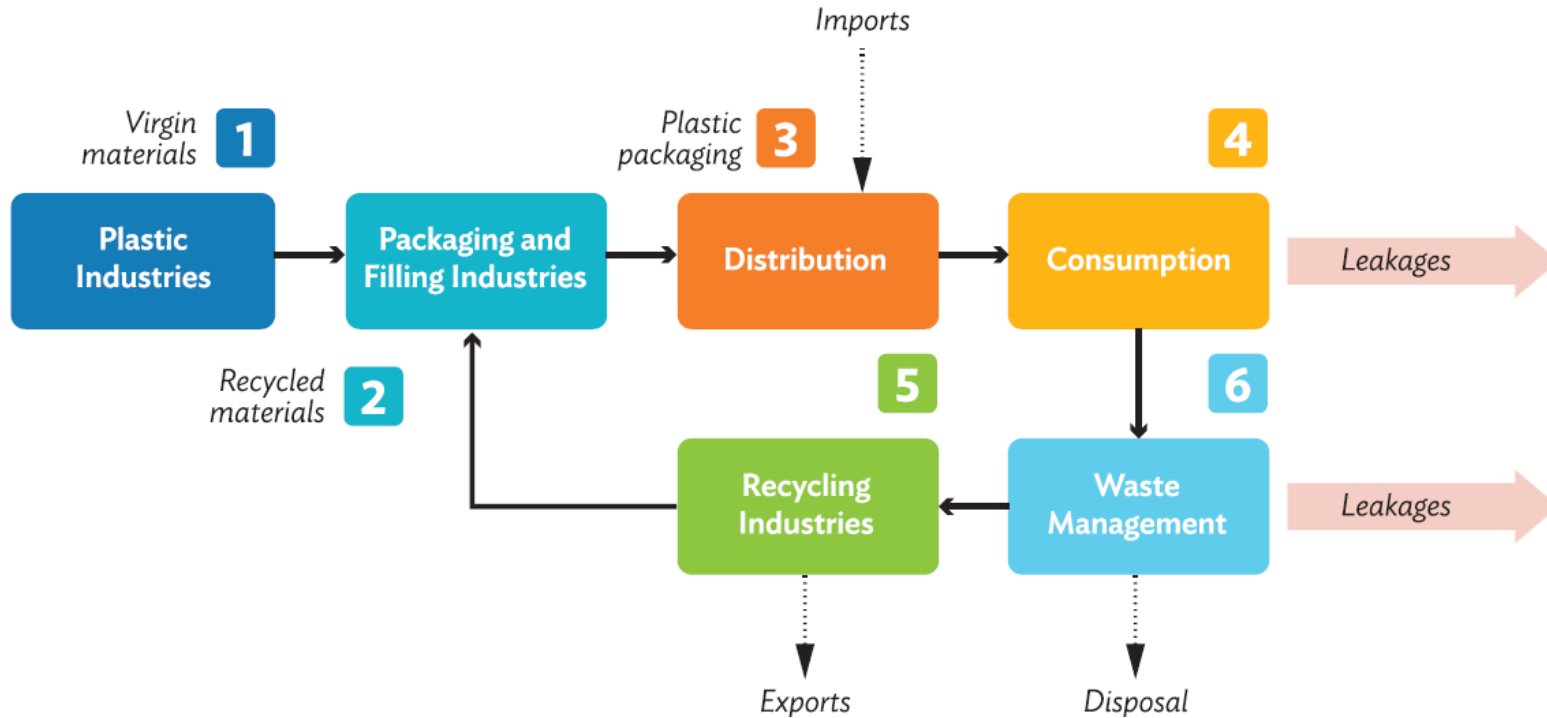
- **Institutional arrangements:** Different government agencies have authority over certain activities in the plastic value chain. Require holistic policymaking.
- **Better enforcement of Policies and plans.**
- **Monitoring and evaluation (M&E):** Important to check effectiveness of policies and regulations.

Encouraging Innovative Solutions & Investments in the Value Chain

- Regulatory landscape
- Market & Economic instruments
- Create demand for products from recycled products
- Increase capacity to collect and recycle
- Upstream solutions to improve recyclability
- Solutions for difficult to recycle plastics
- Behavior Change & Consumer demand



Economic Instruments to Encourage Innovation & Investments



- 90% of circularity solutions investments occur in countries with policies & instruments offering safe investment environment.
- Targeted economic instruments to drive demand & investments for our region – to de-risk, and incentivize investments.

1. Taxes on virgin plastics and exemptions for recycled plastics
2. Tax incentives for recycling investment
3. Green public procurement (GPP)
4. Single-use plastic packaging levies and rebates for reusable containers
5. Advanced recycling fees (ARF);
6. Deposit-refund system (DRS)

Needs and Areas of Action – Government Agencies



- Implement A Mix Of Economic Instruments
- Create Incentives For Recycled Plastics Consumption
- Mandate Reuse/Refill Options For Consumers

Needs and Areas of Action – Project Developers & Solution Providers



- Increase Awareness About The Range Of Financing Options
- Provide Tax Incentives For Plastic Circularity Businesses
- Improve Law Enforcement For Good Environmental And Social Practices

Needs and Areas of Action – Investors & Donor Institutions



- Develop More Blended Finance Packages
- Invest In Upstream Steps Of Plastic Recycling
- Provide Capacity Building For Preparing Investible Projects

Needs and Areas of Action – Gender Equality



- Incorporate Gender Goals Into Financing Instruments For Plastic Circularity
- Design Products And Services That Meet The Needs Of Women

Needs and Areas of Action – Human Rights



- Promote Inclusion In The Policymaking Process
- Support Access And Ownership Of Banking Services

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