Giant Barb
This planet is ours

JULY – 2025

PLASTIC CREDIT

Circular economy opportunities in waste treatment




Website
www.giantbarb.com

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Plastic Credit

I. CONTEXT AND DEFINITION OF PLASTIC CREDITS

1/ Global Plastic pollution context

Plastic waste pollution is currently **considered one of the fastest-growing environmental crises worldwide**. According to the United Nations Environment Programme (UNEP), approximately 400 million tons of plastic are produced globally each year, with half of that being single-use plastics.

Plastic credits have emerged as **a results-based financial instrument**, aiming to channel public and private sector funding into targeted projects that reduce plastic pollution. When applied responsibly, plastic credits allow organizations to support pollution reduction initiatives with outcomes that are **transparently measured and verified.**

2/ What are Plastic Credits?

According to World Bank

"A plastic credit is a transferable unit that represents a specific quantity of plastic that has been avoided, collected, recycled, or otherwise properly managed through project activities".

According to Verra

"Plastic credits are an innovative financial mechanism that enables companies to invest in new or expanded plastic collection and recycling infrastructure, particularly in regions heavily affected by plastic pollution".

--> In simple terms, **a plastic credit** is **a verifiable and transferable unit representing one metric ton of plastic that has been removed from the environment or recycled.** It is issued as the result of project activities—such as plastic collection, management, recycling, or plastic use avoidance—and can be sold to another organization through a chain of transactions.

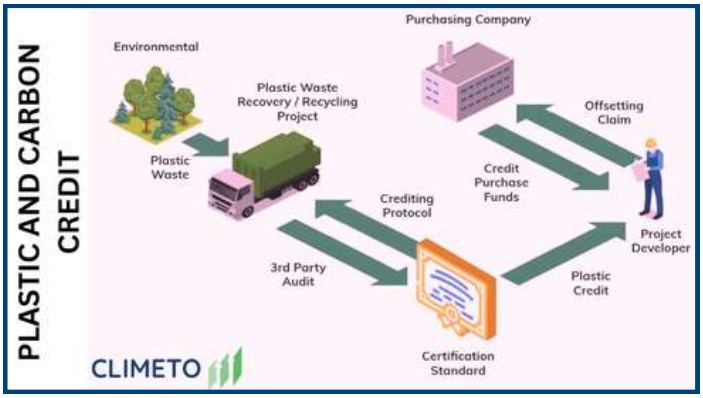
I. CONTEXT AND DEFINITION OF PLASTIC CREDITS

3/ Distinguishing between Plastic Credits and Carbon Credits

Aspect	Carbon Credits	Plastic Credits
Nature	Represent the reduction, removal, or avoidance of greenhouse gas emissions.	Represent the collection, recycling, reduction, or avoidance of plastic use.
Unit of measurement	Tons of CO_2 equivalent (based on global warming potential).	One metric ton of plastic managed, regardless of type.
Project type	Carbon projects often focus on clean energy production, afforestation/reforestation, or energy efficiency.	Plastic credit projects focus on collection, recycling, and preventing plastic leakage into the environment.
Verification and transparency	Carbon markets are more mature with reputable standards such as Verra VCS, Gold Standard, etc., but still rely on complex modeling that may lack visibility.	Plastic credits involve independent audits, visual documentation, GPS tracking, weight measurements, and are often recorded in public registries.
Outcome	Intangible – outcomes must be validated and certified.	Tangible – project results are physically visible and measurable.
Purpose	→ To incentivize sustainable development and establish a results-based financing mechanism for a greener environment.	

--> Plastic credits cannot be converted into carbon credits

Each type of credit represents a distinct environmental impact—either greenhouse gas emissions or plastic pollution—and they are non-interchangeable and cannot substitute for one another. **Plastic credits** are designed **to reduce visible plastic pollution**, while **carbon credits** aim to **mitigate climate impact in an intangible, non-physical manner.**



II. ROLES, BENEFITS, AND PROS & CONS OF PLASTIC CREDITS

1/ Role of Plastic Credits

Supporting companies and individuals in reducing plastic waste leakage into the environment	• Plastic credits serve as a financial tool that enables companies and individuals to minimize plastic waste through investments in collection, recycling, and initiatives aimed at preventing plastic leakage into nature.
Promoting investment in recycling technologies and infrastructure	• Plastic credits offer financial incentives for companies to invest in advanced recycling technologies, improve plastic waste collection systems, and reduce dependence on polluting waste treatment methods.
Reducing reliance on unsustainable waste management practices	• The plastic credit market not only benefits the environment but also creates opportunities for companies to invest in environmental protection initiatives while generating revenue through the sale of credits.

2/ Benefits of Plastic Credits

- **Additional funding sources:** Businesses that sell plastic credits can generate new revenue streams, making waste management projects more financially viable and scalable

- **Environmental impact valuation:** Plastic credits assign economic value to the reduction of plastic waste, encouraging market-based solutions to environmental challenges.

- **Improved transparency and accountability:** Plastic credit systems provide a traceable and results-based framework, which enhances monitoring and evaluation of plastic pollution initiatives and ensures greater transparency in impact reporting.

- **Support for vulnerable groups:** Plastic credit schemes can share benefits with local communities, including informal waste workers, by recognizing and financially supporting their contributions to plastic recovery and recycling efforts.

II. ROLES, BENEFITS, AND PROS & CONS OF PLASTIC CREDITS

3/ Advantages and disadvantages of Plastic Credit

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- **Reduction of plastic pollution and biodiversity protection**

Plastic credit systems help recover millions of tons of plastic waste from natural environments, contributing to ocean pollution reduction and mitigating negative impacts on ecosystems, particularly wildlife.

- **Improved livelihoods and occupational safety for vulnerable communities**

These systems support better livelihoods for coastal communities and informal waste workers involved in plastic collection, while promoting safer and more secure working conditions.

- **Enhanced brand value and consumer trust**

Companies can leverage plastic credits as a tool to communicate their environmental and social responsibility, thereby attracting sustainability-conscious consumers and strengthening competitive advantage.

Disadvantages

- **Risk of greenwashing in the absence of transparent oversight**

Without strict monitoring, measurement, and verification mechanisms, plastic credit systems may be misused for image-building rather than achieving real environmental impact.

- **Lack of unified global standards**

The absence of universally recognized standards for plastic credits has led to discrepancies among schemes and organizations, making comparison, verification, and mutual recognition challenging.

- **Plastic credits are not a comprehensive solution**

Plastic credits should not replace long-term policies on plastic reduction and management. Instead, they should be regarded as a complementary tool supporting the transition to a circular economy and sustainable plastic mitigation.

III. PLASTIC CREDIT MECHANISM

1/ Activities that generate Plastic Credits

Main Category	Upstream	Downstream		
Sub-type	Avoidance / Innovation	Collection & Management	Landfill Diversion	Recycling
Objective	Reduce the use of harmful plastics	Reduce the use of harmful plastics	Divert plastic waste from landfills	Increase plastic recycling rates
Eligible Activities	Elimination or redesign of packaging, reuse/refill systems, alternative materials	Environmental clean-ups, household plastic waste collection, post-collection management	Landfill mining, plastic recovery and treatment through co-processing or recycling	Mechanical or chemical recycling (e.g., plastic-to-feedstock conversion)
Development Stage	Conceptual (under development)	Operational (in implementation)		

III. PLASTIC CREDIT MECHANISM

2/ Plastic Credit Issuance Process

Bước	Process Description	Responsible Party
1	Project design and development	• Project owner • Project developer
2	Project validation (audit)	• Independent auditing organization
3	Project registration	• Standard-setting body (e.g., Verra)
4	Implementation of plastic mitigation activities	• Project developer • Project owner
5	Xác minh kết quả dự án	• Tổ chức kiểm toán
6	Verification of project outcomes	• Independent auditing organization
7	Credit issuance	• Standard-setting body (e.g., Verra)

3/International Plastic Credit standards

High-transparency, independent group – These standards feature publicly available methodologies, registries, and require third-party verification. They do not engage in project implementation, development, or the sale of plastic credits:

- Verra Plastic Waste Reduction Standard (PWRS)
- GreenBlue Recycled Material Standard (RMS)
- Zero Plastic Oceans Ocean-Bound Plastic (OBP)

Lower-transparency group – These may be involved in project implementation, credit development/sales, or provide limited access to public project information and credit registries:

- PCX Solutions Plastic Pollution Reduction Standard (PPRS)
- BVRio Circular Credits Mechanism (CCM)

IV. MARKET AND STAKEHOLDERS

1/ Key buyers of Plastic Credits

Plastic manufacturers

Fast-moving consumer goods (FMCG) companies

Pharmaceutical and personal care companies

Charitable and non-profit organizations

These buyers are typically motivated by:

(1) The desire to achieve Environmental, Social, and Governance (ESG) targets and to meet increasing consumer demands for more effective plastic pollution mitigation efforts.

(2) Commitments to contribute to plastic pollution reduction and to accelerate environmental and social impact delivery.

2/ Plastic Credit pricing

According to the World Bank, current market prices range from **USD 140 to 670 per credit** (approximately one metric ton of plastic).

Pricing is influenced by factors such as:

- Lack of international standardization
- Complex certification processes
- Type of plastic and project location
- Community impact and benefit-sharing levels

V. CURRENT STATUS AND OUTLOOK IN VIETNAM

1/ Opportunities and challenges for developing Plastic Credits in Vietnam

Vietnam stands to benefit from plastic credits by mobilizing funding for local plastic waste collection and recycling projects. This not only helps improve the waste management system, but also creates opportunities for small businesses and local communities to participate in recycling efforts.

The implementation of plastic credit mechanisms could pave the way for the development of a national market and eventually enable Vietnam's participation in the global market. Experts suggest that Vietnam has the potential to build a strong domestic plastic credit model, which can be scaled to other regions and internationally.

Opportunities

- Mobilize capital for plastic collection and recycling projects.
- Develop a domestic plastic credit market with potential for international integration.
- Encourage participation from small businesses and local communities.

Challenges

- Lack of national standards and monitoring mechanisms.
- High certification costs.
- Need to enhance technological and management capacity.

2/ Specific benefits for market participants

For Buyers

- Offset the amount of plastic a company produces and releases into the environment, contributing to plastic neutrality.
- Demonstrate responsibility for plastic-related impacts and contribute to achieving the Sustainable Development Goals (SDGs).
- Support projects that have positive local and global community impacts.

For Sellers

- Sell sorted recyclable plastic waste to recycling companies and intermediaries (an existing source of income).
- Sell plastic credits to manufacturers, retailers, and consumer goods companies whose supply chains involve plastic use (an additional income stream).

Dual benefit: Environmental protection and economic gain

VI. POLICY RECOMMENDATIONS AND ACTIONS

1/ Develop a strategic action framework

Formulate comprehensive action plans and policies to address plastic pollution across the entire plastic value chain — from upstream reduction measures to downstream waste management. Plastic credits should be considered an integral component of this overarching strategy.

2/ Establish robust governance processes

Strengthen governance mechanisms for plastic credits by defining minimum requirements and common principles for plastic crediting programs. This should include safeguards to ensure **additionality** and **avoid double counting**.

3/ Develop Pricing Guidelines

Design pricing guidelines for plastic credits to ensure that market prices reflect the **true cost of pollution mitigation**. This may include differentiated pricing based on factors such as type of activity, geographic location, material type, and associated co-benefits — including the introduction of **price floors.**

4/ Provide Technical Support and Foster Innovation

Collaborate with industry experts to develop best practice guidance for the **responsible use of plastic credits**, including acceptable claims and upstream waste reduction incentives.

Offer support and capacity-building for **early-stage projects**, particularly those involving informal workers and vulnerable groups.

5/ Integrate Plastic Credits into Broader Environmental Strategy

While plastic credits are a valuable mechanism to support plastic pollution reduction, they should be embedded within **a broader environmental strategy**. For effectiveness, plastic credits must complement and reinforce other initiatives across the entire plastic value chain.

→ Close collaboration between key stakeholders and policymakers is essential.

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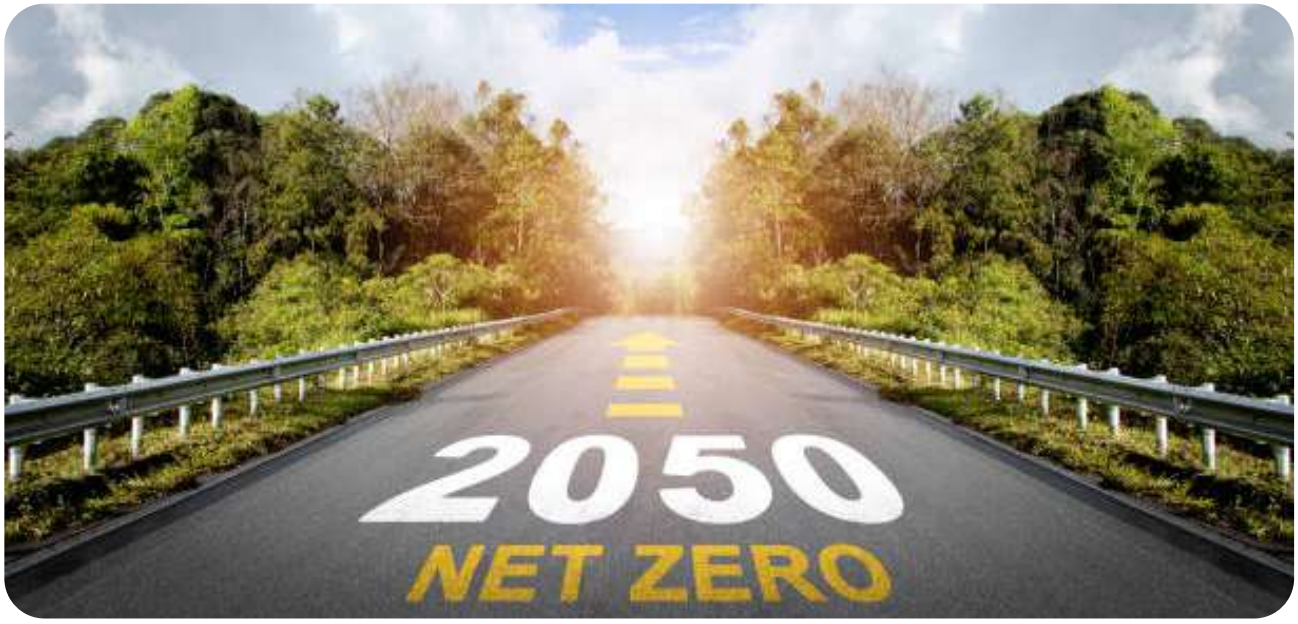
"REACH OUT TO US TODAY, AND TOGETHER, LET'S SHAPE A BETTER TOMORROW"

Together, we can make a difference that transcends boundaries and leaves a positive legacy for generations to come.



Giant Barb is a pioneering company in the field of **Carbon Finance** in Vietnam, offering comprehensive services such as **Greenhouse Gas (GHG) Inventories, ESG Reporting,** and **Carbon Credit Market Solutions** for both domestic and international businesses.

Guided by the motto "***Towards a Low-Carbon Society***", Giant Barb brings together individuals, investors, businesses, and governments to develop green projects aimed at achieving **carbon neutrality**, contributing to the global effort in combating climate change.

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