Plastic Credits

Why in news?

To cut down on plastic pollution, plastic credits are one of the tools being considered in UN-led talks in Nairobi.

What are plastic credits?

- **Plastic credits** - It is a market based mechanism that allows companies or individuals to *pay for plastic waste collection and recycling in exchange for a credit* that offsets their own plastic production or use.
- It is similar to carbon credits that many fossil fuel companies have purchased to try to offset their greenhouse gas emissions.
- **Facilitation-** The exchange is facilitated by accreditors like Verra, marketplaces like the Plastic Credit Exchange (PCX), or private companies that trade in credits or organize credit-generating activities.
- When companies buy enough plastic credits to offset their plastic footprint over a set period of time, they may claim ***net-zero plastic.***



What are the advantages of plastic credits?

- **Combat plastic pollution**- It can reduce the amount of plastic that enters our oceans, rivers, and landfills.
- **Financial incentive-** It finances waste management infrastructure which helps in plastic waste collection and recycling and fosters sustainable solutions.
- **Circular economy**- The plastic materials are reused and recycled instead of being discarded or leaked into environment.
- **Eco friendly**- They reduce the environmental impacts of plastic pollution, such as greenhouse gas emission, water consumption, land use and biodiversity loss.
- **Income support**- Money raised from waste collection and recycling credits can generate income for the informal waste sector people who pick through waste.
- **Awareness generation**- It will help in engagement among consumers, businesses and government on the issue of plastic pollution and the need for more sustainable solutions.
- **Proper accreditation**- These credits are measurable, traceable, and verifiable, ensuring that they represent actual reductions in plastic waste.
- **Corporate social responsibility (CSR) -** By purchasing plastic credits, companies can demonstrate their commitment to sustainable practices and social responsibility.

What are the disadvantages of plastic credits?

- **Inefficient-** They are not a substitute for reducing plastic use and waste at the source, which is the most effective way to prevent plastic pollution and its environmental consequences.
- **Lack of clarity**- They are not standardized or regulated, which can confuse and mislead consumers and corporates.
- **Limited scope-** They may not address the social and economic aspects of plastic waste management, such as the rights and livelihoods of informal waste collectors.
- **Poor quality-** They may not account for the quality and durability of the recycled plastic, which may affect its environmental performance and value.
- **Unsustainability-** They promote a linear model of plastic production and disposal which would not foster circular economy and result in wasteful production.
- **Oversight-** Plastic credits may not address the root cause of plastic pollution, which is the overproduction and consumption of single-use plastics.
- They may create a false sense of sustainability and divert attention from the need to reduce and redesign plastic products.
- **Inaccurate data -** They may rely on self-reported data or inaccurate measurements, which could lead to fraud and double counting.
- **Fundamental flaw-** Certain environmental groups have criticised plastic credits as a greenwashing tool, stating that it encourages burning plastics and creates more emissions and health problems.

What lies ahead?

- Plastic credits should align with the existing frameworks and indicators such as ***Global Reporting Initiative*** and use a common methodology to measure and report their impact.
- They should have independent auditors and certifiers to validate claims and processes and avoid conflict of interest.
- They should support livelihoods and well-being of waste collectors and recyclers and create value for low-value plastic.
    - An example of a socially inclusive scheme is ***Plastic Bank***.

References

1. The Hindu- Plastic credits on table
2. WEF- Plastic credits and offsets

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