Plastic neutrality and credit

Issues and concerns

As companies increasingly come under pressure to reduce plastic, some are using "plastic neutrality" and similar credit schemes to claim that they are not contributing to plastic pollution. These schemes are operated by third-party companies that issue tradable plastic credits, which represent a certain amount of plastic waste (often one tonne per credit issued) that has been recycled or prevented from entering the environment. Plastic neutrality schemes detract from efforts to reduce plastic pollution in the following ways:

- **Plastic offsetting allows plastic pollution to continue** in one location as long as it is offset by reductions somewhere else. When a United States bottling company can buy plastic credits from an offset project that pays for low-value plastic recovery in India, no amount of these credits will reduce the amount of plastic waste generated or littered in the United States. At the same time, offset claims encourage consumers to continue to buy plastic in the false belief that this does not exacerbate the problem.
- **Plastic offsetting aggravates waste colonialism in the Global South** where developed countries as credit buyers continuously take advantage of cheap labor costs, weak regulations for environmental protection, and workers safety, while waste workers and waste pickers in destination countries countinue to bear the toxic burden of low-value plastic waste sent from developed countries.
- **Plastic offsetting fails to consider different impacts of different types of plastic.** There are many different types of plastic and plastic products, all with varied physical and chemical properties that have particular impacts in different environments. The recovery of one tonne of plastic water bottles from an unmanaged urban dumping site, for example, might not balance out the harms created by one tonne of plastic soda rings littered in the ocean that has been justified by the purchase of a credit.
- **Plastic offsetting struggles with additionality.** Plastic credit markets face challenges in determining whether the outcomes of offsets are "additional" to what would have happened anyway, or whether they are simply a continuation of the status quo. In carbon credit markets, which have served as the model for plastic credit markets, the question of additionality remains highly controversial, and was a major driver of the poor performance of the carbon market set up by the Kyoto Protocol's Clean Development Mechanism.
- **There are no safeguards against direct negative impacts from offset projects.** By some definitions, credits can be generated for plastic waste that is recovered, then disposed of in open dumps, burned in cement kilns and different types of incinerators, or used for buildings, roads, and furniture, generating air pollution and health risks for local communities.
- **Plastic offsetting sets up perverse incentives that discourage plastic waste reduction.** A company that starts making money by collecting plastic litter for offset credits, for example, has a financial incentive to oppose a single-use plastic ban in their area. This exact issue has been observed in carbon offset markets, and in some cases even led to increased greenhouse gas emissions at offset project sites.
- **Offset markets are complicated, scattered, and difficult to regulate.** The plastic credits market is quite new, and there is no globally-codified standard for determining how a credit is defined, approved, generated, verified, or tracked. Instead, dozens of organizations have launched services aimed at the emerging plastic credits market, each with their own set of definitions and standards. Every link in the chain adds complexity and reduces transparency, resulting in a crisscrossed, international system that, as seen with carbon markets, is ripe for miscommunication, misrepresentation, and even fraud.

Recommendations

The global plastics treaty must:

- **Prohibit the use of plastic "neutrality" and offset schemes as an eligible way to claim plastic reduction.** There are currently no bans or restrictions on plastic credits at the global or national level on the use of plastic credits. The global plastics treaty provides an important opportunity to officially discourage or ban the use of plastic credits before they become widespread. Doing so would avoid the incredible amount of regulatory oversight needs —both in the private and public sectors— to organize and manage international plastic credit markets. The collective efforts could be better spent on reducing plastic production rapidly.
    - **Mandate member states to ban plastic offset schemes.** The treaty should provide clear guidance to national governments on excluding plastic offsets from their national action plans. As with ozone depletion and climate change, government regulation will be a critical part of tackling the plastic crisis.
    - **Redirect political energy and financial resources to real solutions:** reducing fossil fuel extraction and plastic production, promoting reuse systems, and redesigning products and services to avoid further use of plastic.

Pitfalls to avoid

- Replicating problems of carbon markets; after 30 years of development, carbon markets are an ongoing failure. They struggle with additionality, lack of transparency and safeguards, corruption, regulatory capture and ineffective oversight. They have become a tool for greenwashing rather than emissions reduction.
- Creating policy loopholes and contradiction by interpreting the 'polluter pays principle' as permission to pollute through offset mechanisms.

Further reading

- World Wide Fund for Nature. 2021. "WWF Position:Plastic Crediting and Plastic Neutrality". https://www.worldwildlife.org/publications/wwf-position-plastic-crediting-and-plastic-neutrality
- "Why Are Carbon Markets Failing?." 2013. The Guardian (blog). April 12, 2013. https://www.theguardian.com/sustainable-business/blog/why-are-carbon-markets-failing
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- Greenpeace Philippines. "Activists Send Plastic Waste Back to Nestle, Call out Company for Greenwashing." https://www.greenpeace.org/philippines/press/12025/activists-send-plastic-waste-back-to-nestle-call-out-company-for-greenwashing