The 3R Initiative

Catalyzing new action and investment to reduce, recover and recycle plastic waste around the globe

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There is a burgeoning movement towards increasing plastic recovery and recycling rates, in particular by consumer goods companies who are facing intense pressure to reduce the environmental impact of their products and packaging. However, without new incentives it will be challenging to meaningfully scale up waste collection and management in key “hot spot” countries to the levels needed to keep significant amounts of plastic from entering the environment and world’s oceans.

Recognizing this need, Verra, BVRio and partners Danone, Veolia, Nestlé, Tetra Pak and Conservation International have established the 3R (Reduce, Recover, Recycle) Initiative to bring together leading players to do the following: (1) catalyze responsible design, use and recovery of packaging materials; (2) support companies in reducing their plastic waste footprints and mitigating potential leakage into the environment; and, (3) stimulate the development of new plastic recovery and recycling projects around the world.

The 3R Initiative will achieve these objectives by developing the 3R Standards for Project and Corporate Accounting and a complementary market mechanism which will enable corporates to substantially increase their internal and external efforts to cut plastic pollution.

Accounting for Plastic Waste Recovery and Recycling

The 3R Standard for Project Accounting (the 3R Project Standard) will enable robust impact assessment of new or scaled-up waste recovery and recycling projects/investments. Such projects may be undertaken by companies within their own value chains or by other parties, such as recyclers or NGOs, and may include community waste collection from the environment, waste picker recycled material recovery, ocean cleanup efforts, and/or expansion of municipal waste collection or recycling infrastructure. The independently-audited 3R Project Standard will set out accounting methods for plastic recovery and/or recycling, establish social and environmental safeguards, and support credible and transparent communication of impacts to stakeholders. Application of the Standard will provide confidence that investments are being deployed effectively and have verifiably reduced plastic in the environment.

Furthermore, projects using the 3R Project Standard could potentially generate recovered and/or recycled plastic credits, which would be tracked on the Verra registry system. Such credits would be issued based on how much additional plastic is recovered and recycled beyond baseline rates as a direct result of the credit finance.

Reducing Plastic Waste as a Leadership Opportunity

To encourage and support companies in reducing their plastic waste footprints, the Initiative will also create the 3R Standard for Corporate Accounting and a related certification program that will motivate waste reduction and circular economy leadership[1] by enabling the robust and consistent measurement of plastic footprints.

In order to achieve related commitments, such as "zero waste", companies will have to go beyond their operations to mitigate the part of their plastic footprint that cannot be tackled through internal and supply chain actions alone. Any residual plastic waste could be indirectly addressed by using recovered and/or recycled plastic credits, which represent additional waste recovery and/or recycling that would otherwise not have occurred. Companies that have demonstrated plastic waste reduction within their operations and supply chains (e.g., by increasing recycled content and recyclability of packaging) and mitigated any unavoidable leakage through plastic credit purchases would earn the right to use various claims set out under the 3R Standard for Corporate Accounting. The business, environmental and brand value of such leadership claims would spur replication by other companies, helping transform the packaging space into a model of the circular economy.

Development Timeline and Expected Outcomes

It is anticipated that the core outputs of the 3R Initiative, including the standards and crediting mechanism, will be completed by the end of 2020. The development and management of the 3R Standards will be led by the NGOs Verra and BVRio. Verra is a pioneer in social and environmental standard-setting, including through developing and managing the VCS Program – the world's leading voluntary carbon accounting and crediting program. BVRio is a specialist in creating environmental market mechanisms, including a "reverse logistics credit system" for solid waste management in Brazil.

The 3R Standard for Project Accounting will be developed with the support of a multi-stakeholder Standard Development Committee, piloted with a broad range of projects and have at least two opportunities for public consultation.

The widespread adoption of the proposed standards and market mechanism would:

- Jumpstart the circular economy for plastics by mobilizing corporate leadership in establishing and meeting aggressive plastic reduction and neutrality targets;
- Stimulate recovery and recycling projects and infrastructure to support extended producer responsibility (EPR) schemes;
- Drive investment into the regions and efforts positioned to most efficiently and/or effectively reduce plastic waste at scale;
- Keep plastic out of the ocean/environment and incentivize removal of existing plastic pollution;
- Increase the long-term availability of recycled plastic feedstocks for package manufacturing; and
- Generate compelling social value, including improved, safe and sustainable livelihoods for waste collectors/pickers, a highly marginalized and vulnerable community, who would benefit from the additional revenues associated with the sale of plastic credits.

[1] The 3R Packaging Initiative will complement and support related corporate leadership efforts such as Ellen MacArthur Foundation's New Plastics Economy, the Alliance to End Plastic Waste, and Trash Free Seas Alliance.