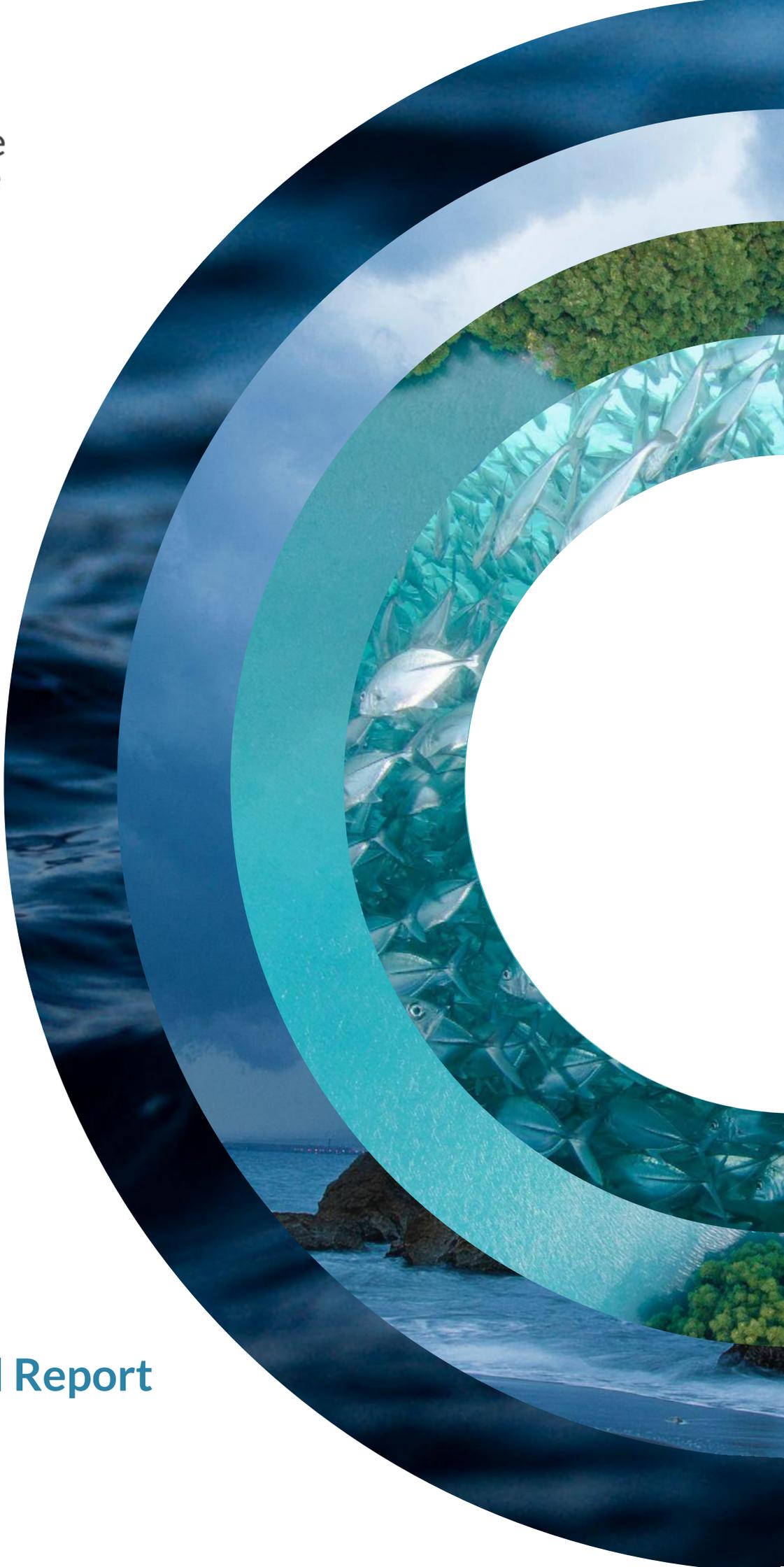




The
Circulate
Initiative

2020 Annual Report

July 2021



Foreword

Dear Partners,

Building on the publication of The Circulate Initiative's inaugural annual report in September 2020, I am pleased to provide an update on our progress for the full year 2020.

On a global level, 2020 was a traumatic and eventful year. As the world focused on the COVID-19 pandemic, we saw a multitude of social and environmental crises come to the fore, vying for attention. While focus on ocean plastic pollution seemed to wane from the headlines, for those of us closest to the work, the challenges related to plastic waste exacerbated by COVID-19 have reinforced the need for a systemic approach to solving the plastic pollution crisis. Now more than ever, circular plastic value chains need support to remain viable and ensure the long-term resiliency of communities most affected by the plastic pollution crisis.

For our stakeholders, including governments, corporations, investors, nonprofits, entrepreneurs and waste workers, a lack of access to better knowledge and tools to guide decision-making, as well as to key relationships to support growth, continued to be critical gaps preventing us from making progress. Despite the pandemic, The Circulate Initiative pursued its work in 2020 towards closing these gaps, along with our partners.

[The Incubation Network](#) continued to run its leading accelerator programs and, despite the challenging operating environment, was able to expand its network to include close to 50 entrepreneurial support organizations.

The [Urban Ocean](#) program worked with its first cohort of five cities across South and Southeast Asia, and in Latin America to understand the needs of local waste management systems and to ensure a resilient recovery from COVID-19.

We examined the emerging [landscape of plastics claims and credits](#) to help brands, investors and others better evaluate the impact potential and role of these new schemes in the fight to prevent plastic leakage into the environment. Readers can learn about our progress in more detail in this report.

Through our partnerships and programs, The Circulate Initiative is in a unique position to form distinct points of view on the challenges and solutions related to ocean plastic. Our expertise and relationships allow us to develop insights and tools that help identify gaps to solving the plastic pollution problem, prioritize strategies, set baselines and targets, and measure the success of solutions. Amplifying successes and sharing lessons learned is critical to enable better decisions about implementing inclusive and effective solutions on the ground and investing in the sector.

The momentum behind our programs is gathering pace in 2021. In order to meet the opportunities at hand, The Circulate Initiative is building [a strong team of experts, partners and advisors](#).

On a personal note, it has been an honor to take on the role of Acting Executive Director and I am energized by all that The Circulate Initiative has achieved in its two years of operation. None of this would have been possible without our collaborators and supporters, including our founding funders Circulate Capital and the Alliance to End Plastic Waste.

As we work towards a more circular and inclusive future, I would like to thank you for your support and look forward to another year of partnership.

Michael Sadowski
Acting Executive Director



About The Circulate Initiative

The Circulate Initiative is a non-profit organization committed to solving the ocean plastic pollution challenge by creating more circular, inclusive and investible waste management and recycling systems in South and Southeast Asia.

We achieve this by collaborating with key stakeholders across the sector, incubating solutions and generating insights to support and accelerate investment into solutions that prevent ocean plastic pollution and advance the circular economy in emerging markets.

Working in close collaboration with a community of innovators, investors, partners and programs, The Circulate Initiative pursues two main strategies: Incubation and Insights.



Photo courtesy of OPPA.

Incubation

Alongside expert partners, we support innovators in emerging countries to source, support and scale effective solutions that end plastic leakage into the ocean.

Created with our partner SecondMuse, our flagship program The Incubation Network encourages more and better ventures to get involved in the circular economy, to make the sector more attractive for investment and ultimately build a pipeline of investible solutions.

Insights

We leverage our expertise and network of strategic partners to develop insights and tools that help identify gaps to addressing the plastic pollution problem, prioritize strategies, set baselines and targets, and measure and amplify impactful solutions.

Our relationships from across industries and geographies allows us to form unique viewpoints on the implementation of inclusive and effective solutions on the ground and to amplify what works so that stakeholders can make better decisions about engaging in the sector.

Our Progress in 2020

Despite a challenging year, The Circulate Initiative and our partners have stayed focused on driving impact.

Incubate:

The Incubation Network

Launched in 2019 with our partner SecondMuse, The Incubation Network is focused on strengthening entrepreneurial ecosystems around plastic waste management and recycling with a diverse network of key partners.

The Incubation Network now includes close to 50 entrepreneurial support organizations (ESOs), which catalyze support to hundreds of ventures and innovators working to address plastic pollution in their communities.



300

The Incubation Network gathers more than 300 actors to **source, support and scale solutions** that prevent plastic pollution.

50 Support Organizations

Close to **50 entrepreneurial support organizations (ESOs), incubators and accelerators** working with hundreds of ventures and innovators.

80 Ventures

More than **80 small to medium-sized enterprises and social enterprises** focused on preventing plastic waste.

170 Mentors

More than **170 mentors including industry leaders and experts from global consumer brands and plastics value chain corporations**, providing hundreds of hours of mentoring to our ventures and innovators.



THE
INCUBATION
NETWORK
By The Circulate Initiative
& SecondMuse

In 2020, our ESO partners launched programs and partnerships to catalyze innovative solutions to address plastic pollution in their communities, including:

Startup*

StartupX (Singapore) launched its inaugural waste-tech startup competition Waste 20/20 with Enterprise Singapore and The Incubation Network. From a pool of hundreds of applicants, eight finalist teams [participated in a pitch day](#) last November. StartupX continues to support finalists with partnership opportunities and access to our circular economy-focused business curriculum.



Ocean Plastic Prevention Accelerator (OPPA) in Indonesia launched its [second cohort of the Waste Community Accelerator](#) in December to build the capacity of six more ventures and organizations working in waste management and recycling in East Java. OPPA's first two cohorts continue to stay involved through the WCA alumni network and events.

@orks

AtWorks* (India) began planning for the 2021 launch of Circular Impact Market Accelerator, [India's first product accelerator to increase alternatives and solutions to plastic use and waste](#), focusing on the food and beverage industry in three cities with Impresario Restaurant Group. AtWorks received 23 applications from ventures at "prototype" or "in market" stage.



Massive Earth Foundation and GoMassive Incubators* (India) launched the Agra Innovation Lab for Prevention of Plastic Leakage into the Environment (AIL-PrePLE), [a platform that will pilot solutions in Agra](#) that identify, collect, transport, or sort waste, or otherwise apply a unique recycling process. Four pilots are expected to launch in July 2021.

* Program funded in 2020, launched in 2021.



OPPA partnered with ITS Surabaya and Bank Sampah Induk Surabaya to create an open-source map of all Waste Banks operating in Surabaya, Indonesia. Photo courtesy of OPPA.



During the onset of COVID-19 in 2020, OPPA partnered with Peduli Sungai Surabaya, a non-profit organization to distribute PPE kits to informal waste workers. Photo courtesy of OPPA.

In 2020, The Incubation Network also ran its inaugural global innovation challenge for ventures, the [Plastics Data Challenge](#), with a cohort of 10 innovators addressing data needs across three thematic areas: improving waste management, optimizing recycling supply chains, and identifying or preventing plastic leakage. Plastics Data Challenge participants were pushed to achieve pilot-readiness through an intensive three-month virtual program.

In June 2020, [Clearbot](#), [Kabadiwalla Connect](#), and [Siklus](#) were named as Challenge Finalists. Since completing the Challenge, each company has advanced in further developing their products or services, piloting their models with key value chain partners and securing additional resources to help them scale.



Since participating in the Plastics Data Challenge, Siklus partnered with global and local brands to pilot their service in Indonesia and further develop their system. Photo courtesy of Siklus.

Plastics Data Challenge 2020 Program Finalists



The Clearbot team with an early prototype of their innovation. Since the Plastics Data Challenge, the company has tied up with consumer electronics company, Razer, to redesign their AI-powered ocean cleaning robot. Photo courtesy of Clearbot.

Incubate / Insights:

Building Clean, Healthy Cities for Clean, Healthy Seas

Five cities gain deeper insights about plastic waste systems in their communities through Urban Ocean.

Plastic leakage into waterways is a major concern around the globe. 80% of ocean plastics originate from land-based sources.¹ Global South cities struggle to effectively manage their waste and poor and vulnerable populations are severely impacted. Effective municipal waste management is expensive, often comprising 20–50% of municipal budgets.²



In order to respond to these global challenges and strengthen urban waste management systems, The Circulate Initiative, Ocean Conservancy, and Resilient Cities Network launched the Urban Ocean program in April 2020 to create a platform for cities to accelerate the circular economy, stop plastic leakage and to advance resilience through capacity-building and by channeling investment.

The [first cohort of partner cities](#) including **Can Tho (Vietnam), Melaka (Malaysia), Semarang (Indonesia), Pune (India) and Panama City (Panama)**, known as “learning cities”, as well as other cities from the Resilient Cities Network, which act as “mentor cities”, committed to working together to solve interrelated challenges. Through this program, cities exchange ideas, share best practices, and work on identifying and advancing holistic solutions in partnership with others outside government.

Urban Ocean specifically links cities to opportunities that [improve waste management and recycling systems](#); reduce the amount of plastic flowing into the ocean; promote circular economies; support inclusive and equitable economic development; and build urban resilience for the long term.

From Q3 2020 through Q1 2021, cities in the program participated in a gap assessment led by Dr. Jenna Jambeck and researchers from the University of Georgia. Local research teams were trained to collect data on the ground in each waste shed. From the analysis, cities are now identifying priority needs and developing responses and opportunities that offer multiple benefits. City teams have been connected with private sector partners, including Dow, CP Chem, Kimberly-Clark, and Circulate Capital, among others, that can be part of the solution and offer first-hand knowledge on innovations and new technologies and what is needed to unlock private sector investments.

The demand for this type of support is increasing, with nearly 25% of cities in the Resilient Cities Network having identified waste management as their core priority for building urban resilience. In less than 12 months, Urban Ocean has connected more than 11 cities, eight local implementation partners, and more than 200 resilience practitioners to help scale this work globally.



CAP survey and interviews were conducted by city officials in Melaka, Malaysia. Photo courtesy of Universiti Kebangsaan MalaysiaED.

¹<https://oceanconservancy.org/wp-content/uploads/2017/04/full-report-stemming-the.pdf>
²<https://www.worldbank.org/en/topic/urbandevelopment/brief/solid-waste-management>

Insights:

Impact Metrics Working Group

To better understand the impact of solutions to address plastic leakage, The Circulate Initiative brings together the world's foremost experts on emerging issues and data needs.

In 2020, The Circulate Initiative convened a diverse group of subject matter experts in an Impact Metrics Working Group (IMWG) to identify and address key gaps in data, metrics and methods. Current Working Group members include the world's foremost experts on waste management and ocean health, investors, NGOs, researchers, and advocacy organizations.

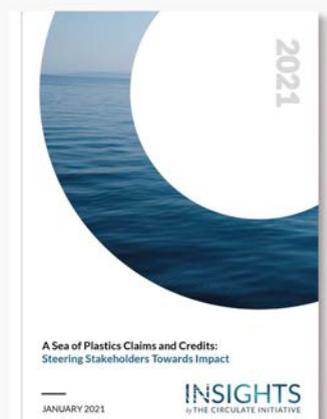
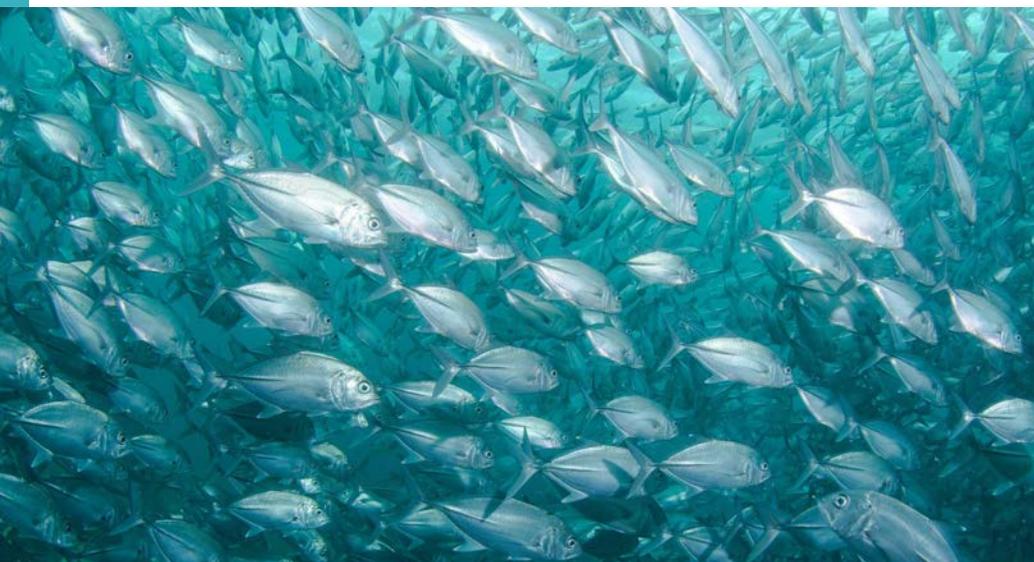
With the IMWG, The Circulate Initiative developed its first research agenda to provide analysis and interpretation of emerging topics and help stakeholders navigate toward the most effective solutions. Over a series of virtual convenings, the IMWG provided input and guidance into key reports and resources being explored by The Circulate Initiative.

Among the research topics identified early on was the confusing plethora of certifications, claims and credit schemes that have recently emerged for "ocean plastics" and other forms of plastic waste.

With support from the Impact Metrics Working Group, The Circulate Initiative released [A Sea of Plastics Claims and Credits](#), an overview of the landscape of claims and credit schemes related to ocean plastics, in January 2021.

Conducted throughout the second half of 2020, our analysis of more than 30 programs and actors defined best practices, identified potential risks, and highlighted lessons learned from analogous environmental issue areas to help potential buyers and ocean plastic stakeholders navigate this crowded landscape.

In response, The Circulate Initiative and our partners have been cited in articles in [Greenbiz](#), [FastCompany](#) and [Eco-Business](#), and have shared findings in public fora, such as the *Sustainable Packaging Coalition* and *Circularity 21*.



What's Ahead

Following a strong 2020, The Circulate Initiative is positioning itself for growth and expansion in 2021.

Our partnerships make this growth possible. In the year ahead, we expect to deepen our work to incubate solutions, generate insights, and attract more investment to the most promising solutions.

The Circulate Initiative and our partners are already embarking on a portfolio of new initiatives.

Incubation

In 2021, The Incubation Network is focusing on expanding the network and deepening local engagement with our partners.

- Building on experience and insights from the Ocean Plastic Prevention Accelerator (OPPA) in Surabaya, Indonesia, The Incubation Network will begin more direct venture-building support in East Java, and launch our second in-country program in Thailand in partnership with the Alliance to End Plastic Waste and ECCA Family Foundation.
- The Incubation Network's efforts to create more inclusive markets for waste management and recycling is growing, with cohort-based project support to partners working with women and informal waste workers.

Insights

With guidance and support from the Impact Metrics Working Group, The Circulate Initiative will also take on a host of pressing topics as part of our evolving research agenda, including:

- Launching online access for an impact calculator, focused on greenhouse gas, energy and water savings of recycling over current end-of-life fates for plastic waste with Singapore's Agency for Science, Technology and Research, A*STAR.
- Case studies investigating the return on investment of behavior change interventions with McKinsey.org.
- Closing critical data gaps in understanding material flows, fates and infrastructure capacity with the Alliance to End Plastic Waste.

To deliver these critical projects and more, The Circulate Initiative is actively expanding our team in 2021, and inviting new board members, partners, advisors, and supporters to collaborate with us for a future without plastic waste. **We hope you will join us.**

Audited Financial Summary

Circulate Initiative Inc. Statement of Functional Expenses

For the year ended December 31, 2020

	Program Services				Supporting Services		Total	
	Amplification	Incubation Network	Monitoring and Evaluation	Other Related Programs	Total Program Services	Management and General		Fundraising
Personnel costs:								
Salaries and wages	\$20,358	\$150,903	\$20,449	\$7,850	\$199,560	\$16,359	\$4,090	\$220,009
Fringe benefits	\$701	\$16,633	\$727	\$639	\$18,700	\$2,003	\$84	\$20,787
Payroll taxes	\$1,362	\$10,809	\$1,478	\$739	\$14,388	\$1,192	\$296	\$15,876
Total personnel costs	\$22,421	\$178,345	\$22,654	\$9,228	\$232,648	\$19,554	\$4,470	\$256,672
Consulting	\$103,196	\$2,625,927	\$87,662	\$102,618	\$2,919,403	\$63,385	\$8,894	\$2,991,682
Grants to others	-	\$319,000	\$13,063	-	\$332,063	-	-	\$332,063
Professional fees	-	-	-	-	-	\$204,294	-	\$204,294
Program contractors	-	\$96,428	\$4,950	-	\$101,378	-	-	\$101,378
Travel, meals and entertainment	\$581	\$3,510	\$5,184	\$9,925	\$19,200	\$72,799	-	\$91,999
Information technology	-	\$1,011	-	\$8	\$1,019	\$7,601	-	\$8,620
Insurance	-	-	-	-	-	\$7,010	-	\$7,010
Occupancy	-	-	-	-	-	\$4,423	-	\$4,423
Marketing and advertising	-	-	-	-	-	-	\$997	\$997
Office expenses	-	-	-	-	-	\$377	\$284	\$661
Dues and subscriptions	-	-	-	-	-	\$147	-	\$147
Total expenses before depreciation	\$126,198	\$3,224,221	\$133,513	\$121,779	\$3,605,711	\$379,590	\$14,645	\$3,999,946
Depreciation	-	-	-	-	-	\$778	-	\$778
Total expenses	\$126,198	\$3,224,221	\$133,513	\$121,779	\$3,605,711	\$380,368	\$14,645	\$4,000,724



Partners and Collaborators

The Circulate Initiative is supported by many collaborators and partners from across the globe. We would like to recognize and thank the following organizations for their ongoing commitment and support for The Circulate Initiative in our work to solve the plastic pollution challenge.

Our Collaborators



Our Partners and Supporters



Impact Metrics Working Group

Adam Wolfensohn, Managing Partner, Encourage Capital
Alix Grabowski, Manager, Packaging and Materials Science, WWF
Chever Voltmer, Director of Plastics Initiatives, Ocean Conservancy
Courtney Thompson, Vice President, Morgan Stanley
Cynthia Shih, Director of Knowledge, McKinsey.org
Deborah Robertson, Environmental Specialist, Asian Development Bank
Ellie Moss, Senior Advisor, Encourage Capital
Erin Murphy, PhD candidate, Arizona State University
Grant Collins, Strategic Advisor, Circulate Capital
James Baker, Solid Waste Management and Circular Economy Specialist · Asian Development Bank (ADB)
Jenna Jambeck, Georgia Athletic Association Professor in Environmental Engineering, University of Georgia
Joao Sousa, Senior Programme Officer, Global Marine and Polar Programme, IUCN

Karina Cady, Operations and Investment Director, Circulate Capital
Maeve Nightingale, Senior Programme Officer, Coastal and Marine Programme, IUCN Asia
Nick Kolesch, Vice-President, Projects, Alliance to End Plastic Waste
Rob Kaplan, CEO, Circulate Capital
Sabine Strnad, Knowledge Management & Data, Alliance to End Plastic Waste
Set Oya, Monitoring, Evaluation, and Learning Manager, USAID Clean Cities Blue Ocean
Simon Baldwin, Director, SecondMuse Singapore
Sonia Dias, Waste Specialist, WIEGO
Stuart Gill, Global Head of Impact, SecondMuse
Taylor Cass Talbott, Reducing Waste in Coastal Cities Project Officer, WIEGO



The
Circulate
Initiative



For more information on The Circulate Initiative and our mission to support the incubation of circular, inclusive and investible waste management and recycling systems and to generate insights that accelerate investment and scale in order to solve the ocean plastic pollution challenge, please visit:

thecirculateinitiative.org