

Frequently Asked Questions

General Information

1. What is the Plastics Circularity Investment Tracker?

The Circulate Initiative's Plastics Circularity Investment Tracker provides insights into private investments in plastics circularity in emerging markets. Leveraging deal-level information on private investments in emerging markets between 2018 and September 2022, the Investment Tracker provides unique insights on the investments channeled to different solutions across the plastics value chain, their scale, and the regions where there is higher investment activity.

2. What is the objective of the Plastics Circularity Investment Tracker?

The Plastics Circularity Investment Tracker aims to explore the role of finance in tackling the plastic pollution challenge by tracking investments taking place in emerging markets, and to move the needle on the scale of private investments in the plastics circular economy.

3. Why did The Circulate Initiative embark on this project?

Investment of private capital into plastics circularity is critically needed to tackle the plastic pollution challenge and to build inclusive, circular economies for plastics. As Circulate Capital identified in its "[Financing Plastic Action in Emerging Markets – Addressing Barriers to Investment](#)" report, there are few financial investment vehicles in the recycling and circular economy space, and limited transparency around financial returns; as a result, investors lack a visible pipeline and track record of deals to evaluate opportunities. When reported, the focus is on broader ESG or sustainability themes, without particular attention paid to plastics circularity-related financing. This lack of visibility constrains the flow of capital into addressing the plastic pollution challenge.

The Circulate Initiative's Plastics Circularity Investment Tracker tool and the accompanying Plastics Circularity Investment Tracker report are the first resources of their kind to measure and characterize investments made to drive a circular economy for plastics.

4. What are the future plans for the Plastics Circularity Investment Tracker?

A biannual update of the Plastics Circularity Investment Tracker is planned, with updates to the data and geographical scope.

Function

5. Who can use the Plastics Circularity Investment Tracker?

Corporates, banks and financial institutions, and entrepreneurs investing in the circular economy can leverage the insights derived from the Plastics Circularity Investment Tracker for their investment considerations.

The Plastics Circularity Investment Tracker and accompanying report also provide a baseline understanding of the investment landscape for other stakeholders taking on the plastic pollution challenge.

6. What can I use the Plastics Circularity Investment Tracker for?

The Plastics Circularity Investment Tracker can be used to track the amount of private capital that has been deployed across a range of emerging markets and the plastics value chain, the types of plastics circularity

solutions receiving investments, and key trends and opportunities in the plastics circularity space.

7. How do I use the Plastics Circularity Investment Tracker?

On the Plastics Circularity Investment Tracker, users can filter the data by geography, archetypes, and investment categories to reveal previously hard-to-determine insights about private investment activity in plastics circularity.

For example, what is the investment made into Asian companies offering refill/reuse solutions in 2018?

8. What are the conditions of use of the tool and the report?

The information provided in the Plastics Circularity Investment Tracker and the accompanying report is provided for general informational purposes only and should not be construed as professional, investment, financial or other advice.

9. Can I provide feedback on the Plastics Circularity Investment Tracker?

Yes! We recognize that this is a first attempt to consolidate data on plastics circularity investments, and information on some deals may not be published or picked up by the databases due to the confidential nature of the transaction. We invite stakeholders to share their feedback and perspectives on this work to help us improve future versions of the Plastics Circularity Investment Tracker. You can submit your feedback through the link available on the Investment Tracker page.

10. Can I cite data from the Plastics Circularity Investment Tracker?

Yes, please attribute all data citations to “Source: The Circulate Initiative’s Plastics Circularity Investment Tracker” and direct audiences back to the website.

Research Database

11. What geographies does the Plastics Circularity Investment Tracker cover?

The Investment Tracker focus is on plastics circularity-related private investments in emerging markets, which are defined as low-income economies, lower-middle-income economies, and upper-middle-income economies, as identified by the [World Bank](#).

Following this definition, 136 countries are considered emerging markets. Of these, information on deals was recorded in 38 countries across Africa, Asia, Europe, and Latin America and the Caribbean and included in the Investment Tracker.

12. When did the deals captured by the Plastics Circularity Investment Tracker occur?

Data provided is for the period January 1, 2018 to September 30, 2022.

13. What are the types of plastics circularity solutions covered by the Plastics Circularity Investment Tracker?

Eight archetypes or solutions were identified as driving a circular economy for plastics. These include: (1) Materials, (2) Redesign, (3) Refill/Reuse, (4) Services (driving plastics circularity or plastic waste management), (5) Operational Platforms (enabling plastics circularity), (6) Digital Mapping, (7) Recycling, and (8) Recovery.

Please refer to the [Glossary sheet](#) for definitions of the archetypes.

14. How are the investments in the Plastics Circularity Investment Tracker categorized?

The Plastics Circularity Investment Tracker reports on the total value of private, third-party investment deals. Investment categories include: (1) Accelerator/incubator financing, (2) Corporate/strategic investments, (3) Debt financing/loans, (4) Development bank financing, (5) Impact investments, (6) Individual/crowdfunding, (7) Philanthropy, (8) Private equity, (9) Public investment/initial public offerings (IPOs), and (10) Venture capital (VC). There are a handful of deals for which deal type information is unavailable and which have been categorized accordingly.

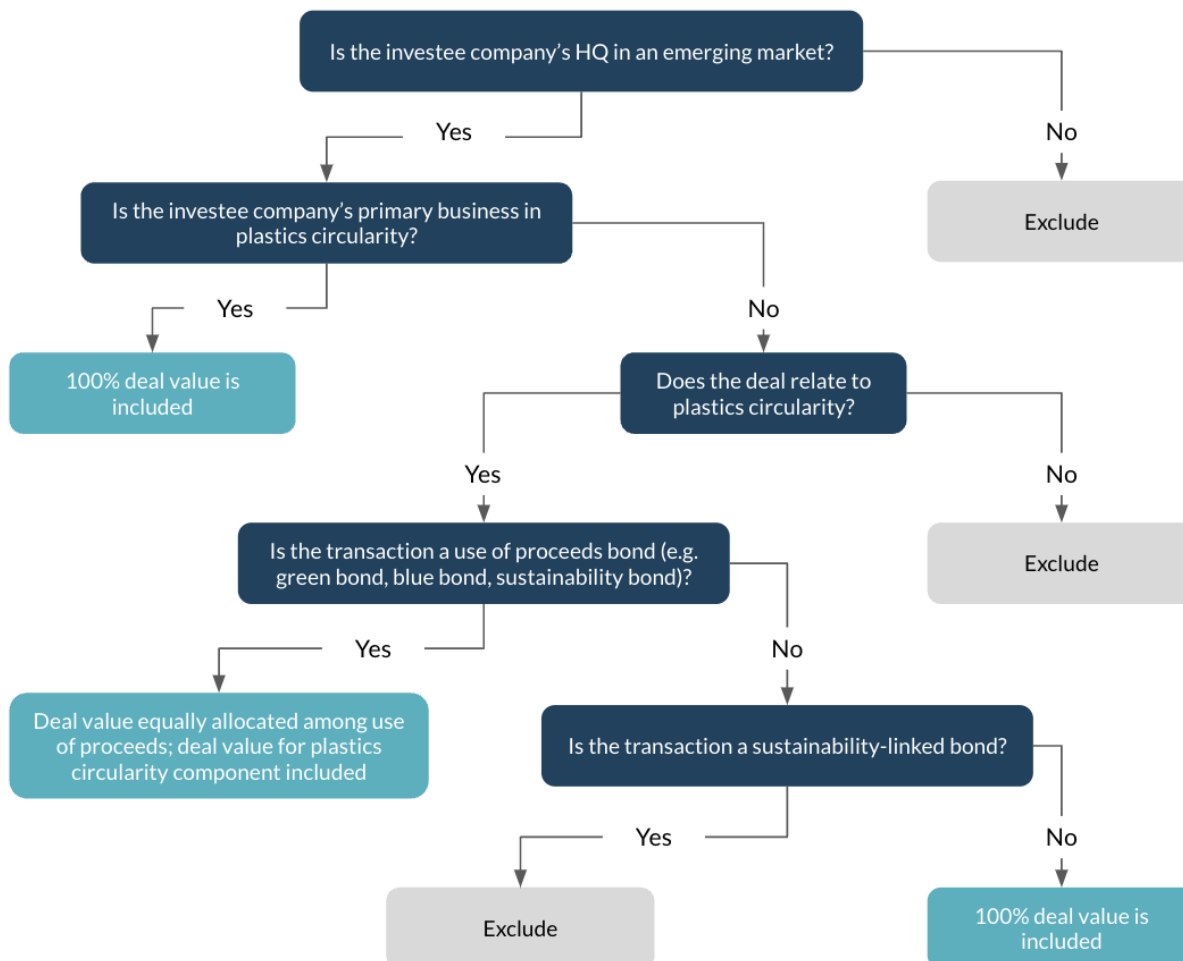
Please refer to the [Glossary sheet](#) for definitions of the investment categories.

15. What was the research methodology?

The Circulate Initiative consulted various databases covering private market transactions and filtered data for third-party investments made in plastics circularity solutions in emerging markets for the period of January 2018 to September 2022. The information compiled was cross-checked against publicly available data.

Known deals from publicly available sources that were not captured by the databases were also included. Investments were categorized according to investment category and archetypes, and the data was aggregated to generate insights while maintaining the transactions' anonymity.

Decision tree adopted for screening deals and deal value:



16. What are the data inclusions and exclusions?

Transactions included in the Plastics Circularity Investment Tracker were first filtered to only include investee companies based in emerging markets, and subsequently screened to meet one or more of the following criteria:

- ▶ Plastics circularity is a core function of the business operations of the investee company.
- ▶ Where plastics circularity is not a core function of the investee company, the investment should be directly attributed to a plastics circularity-linked purpose.
- ▶ The use of proceeds of the investment falls within one of the eight archetypes of solutions tackling the plastic pollution challenge (see [Glossary sheet](#) for the list of archetypes and definitions).

The following additional considerations apply to debt financing, including loans, sustainability-linked bonds, green bonds, and blue bonds:

- ▶ Loans – syndicated or otherwise – for which information is not available in the public domain are excluded.
- ▶ Sustainability-linked bonds:
 - ▶ Those issued by plastics circularity-focused companies are included in their entirety.
 - ▶ Those issued by other companies are excluded. Proceeds of sustainability-linked bonds are intended to be used for general purposes and information on the exact quantum of money applied to plastics circularity is typically unavailable. For example, a US\$100 million sustainability-linked bond issued by a fast-moving consumer goods company is excluded, even if one of the key performance indicators relates to recycling.
- ▶ Use of proceeds bonds (e.g., green bonds, blue bonds, sustainability bonds):
 - ▶ Those issued by plastics circularity-focused companies are included in their entirety.
 - ▶ Those issued by other companies, and where a part of the use of proceeds is allocated for plastics circularity, are included as the use of proceeds statements for these bonds are more specific. For these transactions, the total quantum of the investment has been divided into equal proportions among the various uses of proceeds indicated by the issuer. For example, US\$25 million is included in the year of issue from a US\$100 million green bond issued by a fast-moving consumer goods company that has reported four types of use of proceeds, one of which relates to recycling.

The following exclusions also apply:

- ▶ Public funding (e.g., local government investment in waste management services).
- ▶ Investments in alternative materials, if the products were not intended to replace plastics (e.g., firms producing glass and paper packaging).

17. What are the limitations of the Plastics Circularity Investment Tracker?

The following limitations apply when utilizing the Plastics Circularity Investment Tracker:

- ▶ The database is composed entirely of private transactions reported in verified databases, the public domain, and through The Circulate Initiative’s own research. For confidentiality reasons, transaction details of certain deals may not be accessible and are not incorporated in the tool.
- ▶ Deals with an undisclosed deal value are included in the deal count but excluded from deal value calculations. An estimated 40% of recorded transactions did not have available deal value information.
- ▶ Public funding and investments in alternative materials that are not intended to replace plastics are excluded from the tool’s database.

While the Plastics Circularity Investment Tracker is not intended to be exhaustive in its coverage of all plastics circularity transactions, it provides a starting point for investors seeking a better understanding of private capital flow and opportunities within the sector.

18. Why are only emerging markets included in the database?

According to Circulate Capital’s [“Financing Plastic Action in Emerging Markets – Addressing Barriers to Investment”](#) report, emerging markets offer a “significant opportunity for achieving (a) the largest impact on plastic waste mismanagement and (b) an attractive risk-adjusted return.” Research has also found that low- and middle-income economies will require an [estimated US\\$27.5 billion a year](#) to finance the building of basic waste management infrastructure. The immense financing needs and investment opportunities present in these economies informed the initial focus of the Plastics Circularity Investment Tracker.

At the same time, we recognize that plastic pollution is a growing global problem and have plans to expand the geographical coverage of the Plastics Circularity Investment Tracker in future iterations.

19. What are the emerging markets covered in the database?

From the [World Bank’s classification of countries](#), emerging economies considered for the purpose of the Investment Tracker include the countries categorized as “Low-income economies”, “Lower-middle-income economies” and “Upper-middle-income economies” as described in the table below.

Group	Gross National Income Per Capita	Example Countries
Low-income economies	≤US\$1,085	Afghanistan, Burundi, Yemen
Lower-middle-income economies	US\$1,086-US\$4,255	Algeria, India, Indonesia, Vietnam
Upper-middle-income economies	US\$4,256-US\$13,205	Argentina, Brazil, China, Malaysia, Thailand, South Africa
High-income economies (excluded)	≥US\$13,205	Australia, Chile, Germany, Netherlands, UK, USA

20. Which databases were consulted for the study?

As per our subscription agreements with the data providers, we are unable to disclose this information.