

Key Enablers for Accelerating Investment in Plastics Circularity

July 15, 2025 | Webinar #4 Summary of Key Themes



CO-HOSTS:

The Circulate Initiative

OECD

UN environment programme finance initiative

THE WORLD BANK

WORLD ECONOMIC FORUM

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Overview

On July 15, the Financing Coordination Group (FCG) held its fourth and final webinar with the goal of exploring the key enablers (e.g., policy, human capital) that can accelerate investment to address plastic waste. The FCG, composed of The Circulate Initiative, UNEP FI, World Bank Group, the OECD and the World Economic Forum, aims to improve the overall understanding of the financing landscape for tackling plastic pollution and to catalyze additional capital to solve this challenge.

Moderated by The Circulate Initiative, the main portion of the webinar was a panel discussion with representatives from across the plastics value chain including investors, recycling companies, brands, and multi-lateral organizations that examined the enablers that drive investment into solutions to plastic waste. The panel was bracketed by remarks from representatives of the OECD and the World Economic Forum.

Below, we present the key themes raised during the webinar. We did not attempt to capture the full details of the webinar in this document. Readers interested in more detail can watch the webinar recording here. We have also made the agenda available here - this includes all speaker names, titles, and organizations. In some instances below, we cite panelists for context.

Summary of Key Themes

Solving plastic pollution is possible - but a significant increase in funding is needed

In setting the context for the panel discussion, Elena Buzzi from OECD shared that eliminating plastic pollution is feasible within a relatively rapid timeframe, but these efforts will require significant mobilization of public and private funds. From the Plastics Circularity Investment Tracker (PCIT), we know that there is not nearly enough private capital being deployed to address plastic waste. While an estimated US$ 15.4 trillion in private sector investments is needed between 2025 and 2040, an average of $25 billion was invested per year from 2018 to 2023. We also know that investment is not flowing to where it is most needed, for example nearly 90% of all investment went to North America and Europe over this time period, while roughly 4% has gone to emerging markets.

Delivering a circular economy for plastics requires addressing systems gaps and market failures

Each panelist cited examples of system gaps and market failures that need to be overcome to achieve a circular economy for plastics. Examples include the cost gap between virgin and recycled plastic resin (i.e., recycled tends to be more expensive), insufficient public financial support for collection, inadequate logistics infrastructure (e.g., for reuse), and the degree to which informal waste pickers are recognized and integrated into waste management and recycling systems. Local context is critical, for example small island developing states (SIDS) face challenges specific to their size and geography (e.g., small islands have less land available for waste management and recycling infrastructure). Panelists shared perspectives on how these gaps and market failures are being addressed, which are shared below.

Investors want to see track records, public investment, and a supportive regulatory framework

When asked what investors want to see when evaluating opportunities to invest in solutions to plastic waste, Rob Kaplan shared that Circulate Capital looks for recyclers with track records of commercial viability and evidence that other investors have had success in a market (e.g., deal exits). They also look for public investment in collection infrastructure (one of the hardest but most important elements to figure out) and a regulatory environment that fosters recycling and other circular economy solutions. In particular, Rob cited policy that allows for the use of recycled resin in food-grade applications, extended producer responsibility (EPR), and recycled content mandates - the “rocket fuel” for the recycling sector.

Examples of effective policy - India and Colombia

Since 2016, the Indian government has taken an aggressive approach to addressing plastic waste, for example banning certain single-use plastic items and enacting policies on EPR and recycled content mandates. On the latter, rigid plastic packaging must contain 30% recycled content by the end of 2025 and 60% by the end of 2027. Achieving such a high recycled content percentage will require investments across the recycling ecosystem, including collection and sortation so that yields improve. These policies in India have resulted in a significant increase in recycling capacity. There is 320,000 tonnes of PET recycling capacity in India currently, and this is expected to more than double to 690,000 tonnes by the end of 2025.

Colombia has taken a similarly ambitious approach, phasing out certain single-use plastic products, and enacting policies around EPR and recycled content mandates. Juilan Coymat of Polyrec stressed that each policy moves different levers, for example EPR drives increased collection, whereas recycled content mandates drive investment in recycling infrastructure by stimulating demand. Julian offered that recycled content mandates can help close the cost gap between virgin and recycled resin.

The informal sector is essential to the transition to a circular economy

Several panelists remarked on the critical importance of informal waste pickers to plastics recycling in many emerging markets - in some countries, up to 90% of plastics collected for recycling is done by these individuals. In India, the NAMASTE Scheme (National Action for Mechanised Sanitation Ecosystem) aims to identify and enroll waste pickers in various social programs. There are a number of multi-stakeholder collaborations aimed at improving the livelihoods of these individuals, including the Responsible Sourcing Initiative and the United Nations Development Programme.

In Colombia, waste pickers are formally recognized as providers of public sanitation services, and municipalities are legally required to include waste picker cooperatives in their public services agendas. That said, there are opportunities for improvement including modernizing waste picker operations, improving working conditions, and ensuring traceability of material — which is increasingly important.

Scaling reuse and refill will require supportive policy and different types of funding

According to the PCIT, only 4% of private investment went to upstream solutions such as reuse and refill between 2018 and 2023. Panelists acknowledged this lack of investment, and cited various gaps and market failures that prevent the scaling of the growing number of reuse and refill pilots around the world — things like reverse logistics, cultural and individual preferences, convenience, and cost. The recently announced Plastic Reboot initiative will provide a platform for countries and stakeholders, including the private sector, to share lessons learned and best practices on reuse and refill. Rachel Ramsey of the Caribbean Biodiversity Fund shared some of the challenges and opportunities with reuse and refill in SIDS, and work the Fund is supporting on reuse in the tourism sector. Panelists shared ideas on how to support such business models, for example sales tax exemptions and credits, and opined that grant funding may be best suited for such opportunities until they are commercially viable and can take on return-seeking investment.

Contact Us

The Circulate Initiative

Shamina Mohamed
Communications Director
smohamed@thecirculateinitiative.org