

Glossary

This document provides definitions of key terms used in the Plastics Circularity Investment Tracker.

- I. [Plastics Circularity and Plastics Circularity Solutions](#)
- II. [Investment and Investment Categories](#)
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I. Plastics Circularity and Plastics Circularity Solutions

A. Plastics Circularity

Plastics circularity is defined as a system that drives a circular economy for plastics. This includes technologies, business models or other solutions that tackle the plastic pollution challenge by eliminating, reducing or reusing plastic, or by keeping plastic materials in circulation without them leaking into the environment.

B. Classification of Solutions along the Plastics Value Chain

The archetypes in the Plastics Circularity Investment Tracker can be classified as upstream, midstream or downstream solutions according to where they lie along the value chain.

- **Upstream solution:** One that may eliminate or reduce the use of plastic, such as the development of a new compostable material for use in foodservice packaging. Example archetypes: Materials, Redesign.
- **Midstream solution:** One that requires the participation of a consumer to realize its plastic reduction strategy. Examples might include zero waste stores that depend on consumers bringing their own packaging or refill systems that require consumers to return a package for refill. If the consumer does not fulfill the action, the innovation is unlikely to reduce use of plastic. Example archetype: Refill/Reuse.
- **Downstream solution:** One that occurs after a package or product becomes waste. Downstream solutions include operational platforms that seek to connect plastic waste generators (i.e., consumers) with informal collectors or mobile apps that track and report waste plastic for the purposes of EPR reporting. Other downstream solutions might also include reverse vending machines that collect recyclable plastics and reimburse the user with awards or points that can be redeemed for other products. Example archetypes: Recycling, Recovery.

Note that some archetypes may be cross-cutting, e.g., they may fall under the downstream and midstream, or midstream and downstream parts of the value chain.

C. Definitions of Solutions

| Solution | Description and examples of companies focusing on the solution |
|-----------------------|--|
| Materials | <p>Firms that focus on the production or use of alternative materials for single-use plastics or other applications.</p> <p>Example(s): Fiber-based alternatives, such as molded bagasse, or other compostable substitutes for takeout foodservice ware.</p> |
| Redesign | <p>Firms that redesign an existing product and/or packaging system with consideration of its performance and value in the recycling value chain, resulting in products and packaging that are more reusable or recyclable than typical models.</p> <p>Example(s): Eliminating polyvinyl chloride (PVC) labels for PET bottles, or shifting from multi-layered packaging to mono-material.</p> |
| Refill / Reuse | <p>Firms that substitute or eliminate single-use and other plastic products through reuse, refill or product-as-service business models. These firms reflect a diversity of business models intended to eliminate single-use plastics.</p> |

Example(s): Zero waste or bulk stores that offer refill services if consumers bring their own packaging, or reuse and refill systems that might require a deposit to incentivize the return of packaging.

Services (driving plastics circularity or plastic waste management)

Firms that help actors account for plastic usage, audit and offer assurance of plastic waste flows, and/or quantify collected waste plastics in line with EPR regulations or voluntarily. In most cases, these services are offered independently or as an extension of services by organizations that already operate in waste management, plastic clean-up, and/or recycling.

Example(s): Service providers that enable organizations to calculate their plastic footprint.

Operational Platforms enabling plastics circularity

Firms that offer “on-demand” technology platforms or mobile applications that allow individual consumers and/or companies to request at-home or business collection of recyclable plastics.

Example(s): In general, operational platforms indirectly facilitate waste collection and recycling. Some operational platforms offer collection, while others allow for improved business processes.

Digital Mapping

Firms that offer digital technology or platforms that are intended to map and/or trace material flows, document the location of waste management infrastructure, or provide insights on waste volumes or composition.

Example(s): Blockchain ledger technology that maps and traces the flow of waste plastics from the source of collection through reclamation and end products.

Recycling

Firms that offer informal and formal collection, processing or sorting, and reclamation of waste plastic for recycling, as well as firms with technologies to recycle waste plastic into flakes, pellets, or finished products.

Example(s): Waste management companies and non-profit organizations working with the informal sector to collect waste plastics, reverse vending machines to collect bottles, and companies that recycle and reclaim plastics.

Recovery

Firms that directly recover municipal solid waste or plastic waste for the primary purpose of clean-up and proper disposal. The principal focus is to ensure collection for disposal rather than for recycling. This archetype may include collection of waste, sorting, and disposal steps, or it may be limited to the collection and transport of the plastic waste to treatment facilities.

Example(s): Plastic litter and waste collection services and riverine clean-up technologies.

II. Investment and Investment Categories

I. Investment

“Investment” is defined as private financing in “the form of grants, equity/quasi-equity, debt, and blended finance structures, including credit guarantees and other similar financial instruments.” This analysis seeks to capture the allocation of capital flows to companies, and technical assistance accompanying other forms of investment rather than the provision of in-kind “investments,” such as non-monetary technical assistance. Funding via bilateral or multilateral donor agencies, or from national, state or local governments is not included.

II. Investment Categories

| Investment Category | Definition |
|--|--|
| Accelerator/Incubator Financing | A temporary program that provides cash or grant funding as part of the early stage of development. An equity component in lieu of the cash may or may not be involved. |
| Corporate/Strategic Investments | Includes investment conducted through joint venture, merger, acquisition, secondary transaction involving minority equity purchases from another investor, asset purchases, and/or direct funding. |
| Debt Financing/Loans | Financing in the form of bank loans or bonds, secured or unsecured. |
| Development Bank Financing | Financing received directly from development finance institutions. |
| Impact Investments | Investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return. |
| Individual/Crowdfunding | Investment received from an individual or a group of individuals typically not requiring an equity component in return for the money provided. |
| Philanthropy | The work an individual or organization undertakes based on an altruistic desire to improve human welfare. Wealthy individuals sometimes establish private foundations to facilitate their philanthropic efforts. |
| Private Equity | Private equity (PE) is a form of financing where money or capital is invested into a company. Typically, PE investments are made into mature businesses in traditional industries in exchange for equity or ownership stake. PE is a major subset of a larger, more complex piece of the financial landscape known as the private markets. |
| Public Investment/IPO | An initial public offering (IPO) refers to the process of offering shares of a private corporation to the public in a new stock issuance for the first time. An IPO allows a company to raise equity capital from public investors. |
| Venture Capital | Venture capital (VC) is a form of financing where capital is invested into a company, usually a startup or small business, in exchange for equity in the company. It is also a major subset of a much larger, complex part of the financial landscape known as the private markets. |

III. Classification of Emerging Markets

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 |