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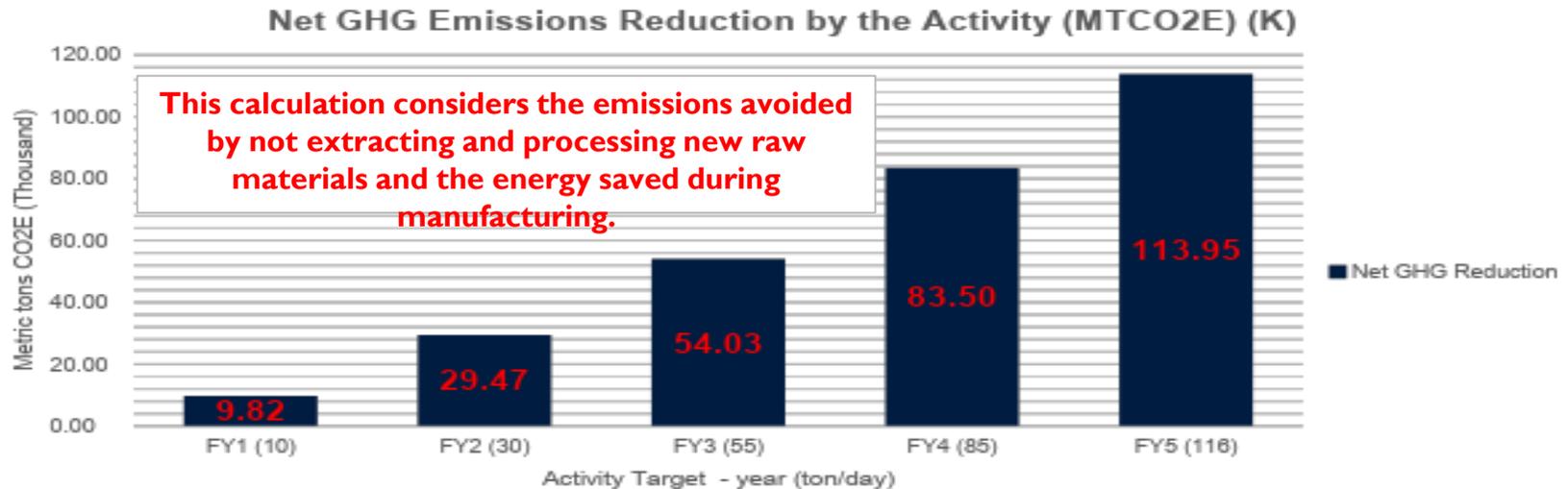
Climate Finance in the Recycling Sector



Waste Management and Climate Change

- Waste disposal can **generate greenhouse gas emissions** and contribute to human-induced climate change.
- The waste sector is **one of three key methane emitting sectors** (following agriculture and oil and gas) and is responsible for 20% of human-driven methane emissions globally.
- Countries have prioritised utilisation of waste avoidance strategies within **national climate change mitigation plans (NDCs)** under the Paris Agreement.
- **Recycling helps reduce greenhouse gas emissions by reducing energy consumption.** Using recycled materials to make new products reduces the need for virgin materials. This avoids greenhouse gas emissions that would result from extracting or mining virgin materials.
- Manufacturing products from **recycled materials typically requires less energy** than making products from virgin materials and recycling paper products allows more trees to remain standing, where they can continue to remove carbon dioxide from the atmosphere.

Net GHG Emissions Reduction by the USAID Recycling in Jordan Activity (MTCO₂E) (K)



Climate Finance

Climate finance aims to mobilize public and private funding for climate targets.

Climate finance for sustainable waste management is very nascent in Jordan.

The C40 Sustainable Waste Systems Network support cities in improving their waste management operations to reduce carbon emissions by enabling them to access technical resources, financial expertise, and tools to accelerate project implementation.

- Green loan products & Green taxonomies
- Multilateral Development Banks (MDBs) play a role in leveraging private sector investment
- Tapping into broader capital markets (green bonds)
- Carbon credits through the diversion of waste from the landfills through waste management programs
- Access global climate funds; i.e., Green Climate Fund (GCF) or the the Global Environment Facility (GEF)
- The importance of public private partnerships (blended finance)

LANDSCAPE OF CLIMATE FINANCE IN 2021/2022

Global climate finance flows along their life cycle in 2021 and 2022. Values are averages of two years' data to smooth out fluctuations, in USD billions



CLIMATE
POLICY
INITIATIVE

SOURCES AND INTERMEDIARIES

Which type of organizations are sources or intermediaries of capital for climate finance?

INSTRUMENTS

What mix of financial instruments is used?

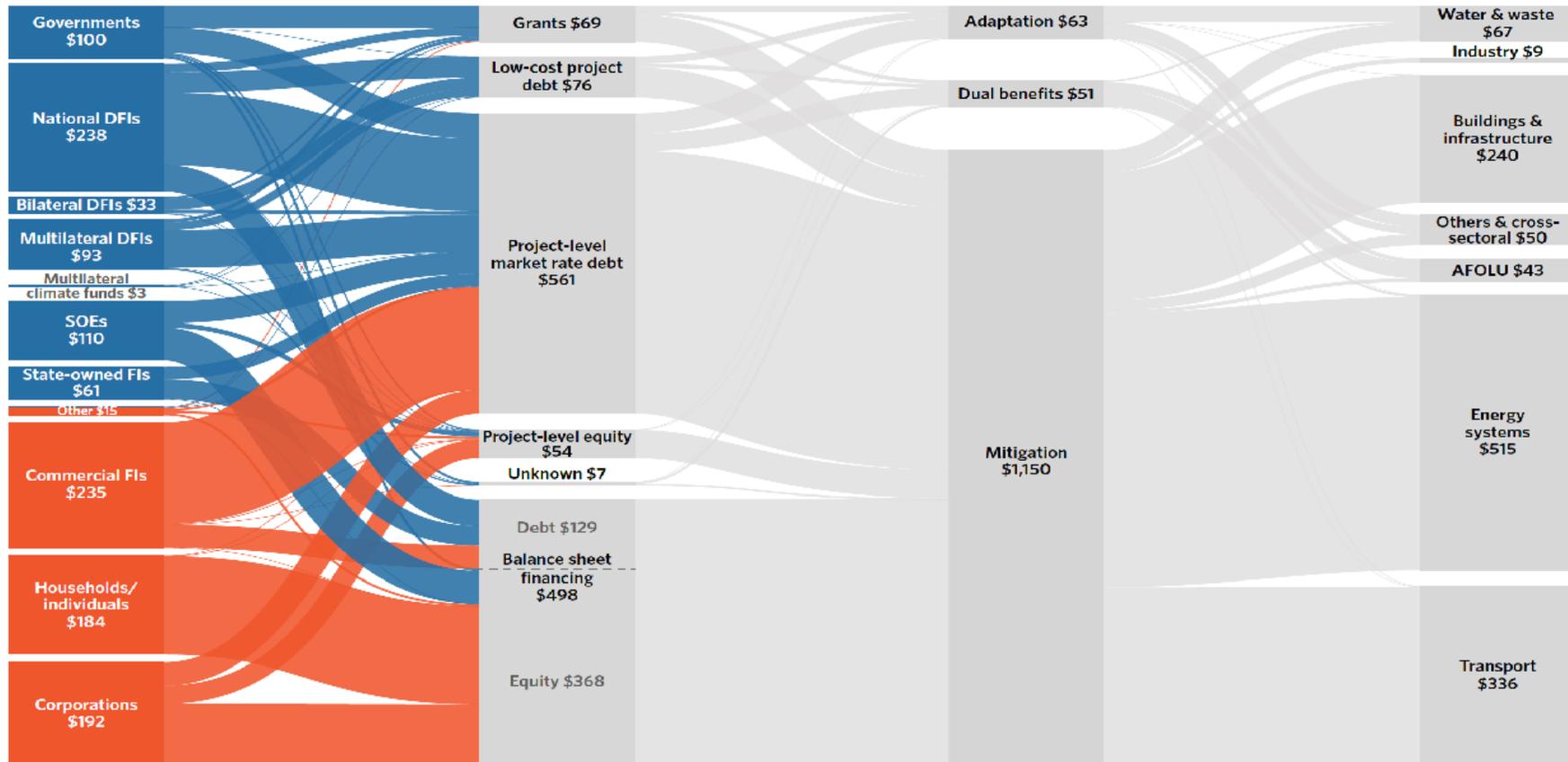
1.27 TRILLION USD
ANNUAL
AVERAGE

USES

What types of activities are financed?

SECTORS

What is the finance used for?



Public Private

Other public sources include export credit agencies and unknown public funds

Other private sources include institutional investors, funds, and unknown

AFOLU stands for agriculture, forestry, other land use, and fisheries. *Others & cross-sectoral* includes \$6bn unknown

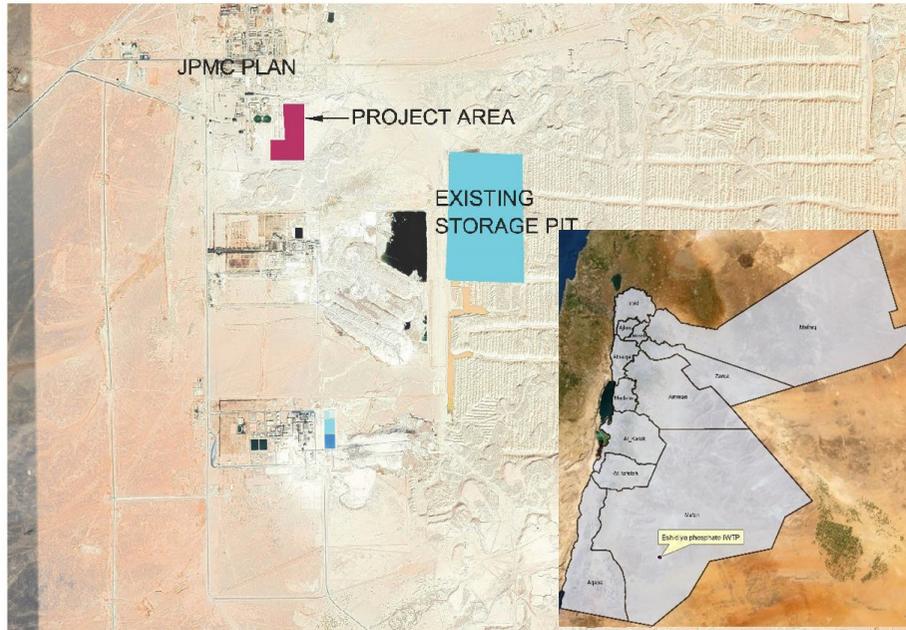
Source: Climate Policy Initiative

Climate Finance - International Plastics Treaty

- Negotiations of a legally binding international Plastics Treaty are underway.
- Transitioning to a circular plastics economy is vital for achieving the goal of the Treaty.
- Developing countries require **large financial investments** to develop or modify any existing waste management systems to ensure that plastic is properly collected, sorted and eventually recycled.
- Opinions differ about:
 - imposing a **global plastic pollution fee on primary plastic polymer producers** (extended producer responsibility - EPR - scheme) and
 - creating a **separate fund** for removing legacy plastic waste or **utilising taxation and subsidy removal**.
- Actions that governments can take accelerate the development of a circular economy:
 - incentivise desirable actions through subsidies, tax breaks, regulations promoting recycling and sustainable products, and information campaigns to influence consumer behaviour.
 - bans of non-recyclable plastics and mandates for recycling.

USAID/Jordan Program Spotlight: Engicon Private Sector Partnership

- USAID/Jordan's Addendum to the GDA APS - APS No.: APS-OAA-21-00001 was released on March 7, 2021.
- The Developer responded to the Addendum with a concept to finance a Design, Build, Own, Operate and Transfer (DBOOT) of an Industrial Wastewater Treatment Plant (IWTP) at Eshidiya Phosphate Mine owned by the Jordan Phosphate Mines Company (JPMC). Implementation started in February 2024.



USAID/Jordan Program Spotlight: Engicon Private Sector Partnership

- This Activity is expected to save around 70% of JPMC's daily use of freshwater which is equal to 7,500 m³/day.
- This translates to approximately 2.51 MCM of water-saved per year, equivalent to the water needs of 70,000 people and 10.04 MCM over the five-year agreement.
- The Developer is entering a 20-year commercial agreement with JPMC that will save around 50 MCM of water.
- USAID will partner with the Developer through an assistance award for 5 years with USAID's total contribution reaching \$4m out of a total project cost of \$10m.





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Thank you

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