



USAID
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CIRCULATE CAPITAL

A USAID-SUPPORTED INVESTMENT PARTNERSHIP FOR COMBATING OCEAN PLASTIC POLLUTION

In April 2019, USAID signed an agreement leveraging more than \$100 million in a private-sector investment strategy managed by Circulate Capital, a firm dedicated to incubating and financing companies and infrastructure that prevent ocean plastic pollution in South and Southeast Asia, and backed by multinational corporations, including:

- PepsiCo
- Procter & Gamble
- Dow
- Danone
- Unilever
- Coca-Cola

USAID will provide a \$35 million, 50 percent loan-portfolio guarantee through the Development Credit Authority (DCA), which will be used to incentivize private capital investment in the recycling value chain in South and Southeast Asia.

Starting in the summer of 2019, Circulate Capital's strategy will focus on providing financing to companies and projects in the recycling value chain to reduce improperly disposed of municipal solid waste and encourage new investment in this sector. At least 50 percent of the total facility will be used for loans in the four countries that align with USAID's **Municipal Waste Recycling Program** (Indonesia, Philippines, Vietnam and Sri Lanka). This partnership is designed to achieve mutually beneficial financial sector and development impacts in the waste management and recycling sector.

DEVELOPMENT IMPACTS

- Increased number of borrowers in solid waste management and plastics waste recycling sector
- Increased number of jobs and/or improved working conditions for workers in the waste recycling sector
- Increased lending to waste recycling businesses with women in leadership
- Increased uptake of innovative technologies, including U.S. exports

FINANCIAL SECTOR IMPACTS

- Mobilizing Capital
- Improvements in Lending Terms/Capital Availability
- Lender Self-Investment
- Lender New Business Development
- Crowding in Additional Private Capital
- Changing Markets

AT A GLANCE

- A USAID-supported investment partnership to combat ocean plastics leverages **\$100 million** in a private sector investment strategy funded by **six multinational companies**.
- USAID will provide a **\$35 million, 50 percent** loan portfolio guarantee through the Development Credit Authority to incentivize capital investment in the recycling value chain in South and Southeast Asia.