



Water and Environment Support

in the ENI Southern Neighbourhood region

WES NATIONAL “TWIN” ACTIVITIES CO-ORGANISED WITH THE MINISTRY OF ENVIRONMENT OF JORDAN

Joining Forces to Combat Single-Use Plastics (SUPs) in Jordan: Consultation workshop on a proposed Roadmap to address SUPs and draft recommendations for stakeholders on green banking and Green investment Opportunities to curb plastic waste - Amman, 17 May 2023

Recommendations for stakeholders on green banking and green investment opportunities to curb plastic waste in Jordan with emphasis on SUPs

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PRESENTATION FORMAT

- *Background*
- *Addressing SUPs*
- *Reforms Needed*
- *Financing of Reform Processes*
- *Green Banking*

BACKGROUND AND OBJECTIVES

*The Ministry of Environment's priority to phase out **Single-Use Plastics***

Our scope:

- Identify, encourage and, enhance the involvement of banking and other sectors' interests
- Enhance capacity to promote investment opportunities that foster the shift towards green economy and facilitate access to green investments

The activity:

- Current state of plastic pollution in Jordan
- Inception phase: a survey questionnaire, face-to-face interviews
- Recommendations (+ consultation with stakeholders)

OBSTACLES TO PROMOTING GREEN BANKING

Banks' perspective, in finance of any environmental project, lack of:

1. Economic feasibility of the project itself
2. Adequate studies and statistically proven experiences
3. Neutral or reference body to evaluate technical and financial
4. Simple and fast grant procedures & prior approvals
5. Technical expertise; e.g. inexperienced entrepreneurs
6. Opportunity for Jordanian Banks to partner with EBRD, or other experienced international organisations

ADDRESSING SINGLE USE PLASTICS (1/3)

Main difficulty in eliminating SUPs:

- Large share of the market
- Profiting businesses

Internal specificities of the SUPs sector :

- Major part of market covered by companies not involved in SUPs manufacture
- 90 MJD/year market (black plastic garbage bags)
- Businesses directly affected by Reg 45/2017 are local manufacturers of **shopping bags**

ADDRESSING SINGLE USE PLASTICS (2/3)

Major needs and opportunities for funding to tackle SUPs should focus on necessary transformations:

1. Managing infrastructures for improving different aspects of plastic recycling within the sector
2. Promoting new MUP products to replace SUPs
3. Shifting to producing sustainable SUP/MUP alternatives from other non-plastic raw material

ADDRESSING SINGLE USE PLASTICS (3/3)

- Plastic recycling in Jordan is well established (except PET)
- Main challenge being its contamination before or during collection
- To improve plastic waste recycling, appropriate programs should be developed and financed to:
 1. Reach out to consumers to clean discarded plastics before disposal
 2. Sustain separate collection schemes to avoid contamination
 3. PET recycling facility is a very serious possibility
- Stakeholders views
- Strategic decisions

REFORMS TO ENHANCE ENABLING CONDITIONS FOR GREEN BANKING & FINANCE (1/9)

Recommendations revolve around three components of reform, namely:

1. **Institutional** issues
2. **Communication & education**, and
3. **Capacity building** needs

REFORMS TO ENHANCE ENABLING CONDITIONS FOR GREEN BANKING & FINANCE (2/9)

Institutional provisions need to reflect the overall national policies on issues related to solid waste management and also green funding for addressing the problem of SUPs. These should include:

1. Ways to enable implementation of the waste hierarchy scheme
2. Promoting circular economy
3. Applying the principles of Polluter Pays and Extended Producer Responsibility (EPR)
4. Addressing phasing-out single use plastics with policies and related strategies within the Framework Law of Waste & Green Growth Strategy + SDGs

REFORMS TO ENHANCE ENABLING CONDITIONS FOR GREEN BANKING & FINANCE (3/9)

Reforms should be considered along with 2 important documents:

- “Green Growth National Plan” and
- “Green Financing Strategy” of the Central Bank of Jordan (CBJ), under elaboration.

Core Stakeholders :

- Ministry of Environment
- Ministry of Local Administration
- Ministry of Investment
- Ministry of Industry and Trade and Supply
- Central Bank of Jordan (CBJ)
- Association of Banks of Jordan (ABJ)
- Chamber of Industry (CI)

REFORMS TO ENHANCE ENABLING CONDITIONS FOR GREEN BANKING & FINANCE (4/9)

Ministry of the Environment

Currently

- The Ministry is understaffed,
- Services lacking adequate competences to deal with the plastic and SUPs issues.

What is needed

- Better clarified and strengthened role.
- Problems with implementation minimized
- Capacity enhanced in the involved services
- Re-allocating specific responsibilities (with policy and regulatory settings embedded within the MoEnv, while monitoring and enforcement/controls entrusted to another entity in the form of a Commission or Agency).

Advantages

Qualified staff with delineation between licensing and permitting versus enforcement

REFORMS TO ENHANCE ENABLING CONDITIONS FOR GREEN BANKING & FINANCE (5/9)

Ministry of Local Administration

Very important role in dealing with the local civil society on wastes and SUPs.

- What is needed?
 - Competencies need to be strengthened at local level, including for information sharing
 - Ministry's participation is essential in the formulation and facilitation of enforcement of policies and actions of the MoEnv and any specialized Agency

REFORMS TO ENHANCE ENABLING CONDITIONS FOR GREEN BANKING & FINANCE (6/9)

Ministry of Investment

- Newly created ministry
- Business development, funding and financing of scheme
- Key objectives:
 - Having a National Strategy and Action Plan for green sustainability
 - Encouragement of green investment (e.g. thematic bond issuance & loans)
- An attractive framework (including incentives):
 - Encourage systematic, gradual transition of plastics production from linear to a circular one
 - Investment proposals for producing alternatives to SUPs- apriority

REFORMS TO ENHANCE ENABLING CONDITIONS FOR GREEN BANKING & FINANCE (7/9)

Ministry of Investment (continued)

Financing is also crucial for scaling up the support for innovation and solutions such as:

- the development/adoption of smarter and more recyclable plastic materials
- making recycling processes more efficient
- tracing and removing hazardous substances and contaminants from recycled plastics
- restrictions of SUPs in takeaway packaging, and reduce taxation on (sustainable) alternatives

REFORMS TO ENHANCE ENABLING CONDITIONS FOR GREEN BANKING & FINANCE (8/9)

The Chamber of Industry (CI)

- A more proactive role from the **plastics sector** and the **Chamber of Industry** in replacement of SUPs
 - Elaborating/commissioning a study and strategy for appropriate techno-economic measures
 - Benefiting from existing incentives and funding mechanisms
 - Proposing new appropriate ones

REFORMS TO ENHANCE ENABLING CONDITIONS FOR GREEN BANKING & FINANCE (9/9)

The Central Bank of Jordan (CBJ)

A critical stakeholder, whose role is fundamental, also because of the Green Banking Strategy

FUNDING AWARENESS RAISING AND CAPACITY BUILDING IN THE PHASING-OUT OF SUPs (1/3)

There are many different types of communication and awareness raising:

- Systematic and effective awareness raising campaigns to be organized by local Authorities and NGOs/CSOs
- Adequate funding is required for at least 2-3 years of campaigns
- Funding should be secured by the Government and supported by philanthropists, external aid and eventually the business sector working to address the plastic pollution problem
- Particular educational courses also need to be developed, with the involvement also of the Ministry of Education - specific schools and university departments of chemistry, chemical engineering, material sciences, etc.

FUNDING AWARENESS RAISING AND CAPACITY BUILDING IN THE PHASING-OUT OF SUPs (2/3)

A different type of short-term technical education and vocational trainings

All trainings require well trained educators/trainers

In our “digital era” trainings could be

- carried out on-line
- facilitated through dedicated e-learning courses, synchronous or asynchronous
- guided or not, all of which require planning and funding from public and/or private sources

FUNDING AWARENESS RAISING AND CAPACITY BUILDING IN THE PHASING-OUT OF SUPs (3/3)

- Banks may finance communication and capacity building/trainings undertaken by the private sector to enhance the capacity and skills of their workers and/or retraining their personnel
 - as integral parts of their development
 - when entering in new markets, or
 - expanding to new sectors introducing new products in the market (advertisement)

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SYNERGY OF WES GREEN BANKING EFFORTS WITH NATIONAL AND BANKING ACTIVITIES (1/4)

The Central Bank of Jordan (CBJ)

- **The Green Financing Strategy**
 - CBJ indicated that a Green Strategy is in progress
 - Its draft will be delivered by the end of June 2023
 - Stakeholders invited to express their opinions on strategic items.
- **Fully welcoming WES involvement/support**
- **While awaiting the Strategy**



SYNERGY OF WES GREEN BANKING EFFORTS WITH NATIONAL AND BANKING ACTIVITIES (2/4)

The Central Bank of Jordan (CBJ) (continued)

Capitalizing on simulation of existing experience

- A CBJ directive in Jordan is already in place for green finance on energy related projects

Elaborating a financial vehicle for plastics/SUPs

- An appropriate CBJ finance vehicle is needed including *inter alia*:
 - facilitation of soft loans
 - foregoing some of the CBJ restrictions, and
 - holding joint workshops with commercial banks & financing programs

Centralized database

- Such a base should be in place (eventually in synergy with the Ministry of Investment) for Green Finance Schemes, where a national network is built and experiences are shared

SYNERGY OF WES GREEN BANKING EFFORTS WITH NATIONAL AND BANKING ACTIVITIES (3/4)

The Central Bank of Jordan (CBJ) (continued)

- The Jordan Loan Guarantee Company (JLG Co)
- A closer cooperation with the Association of Banks of Jordan (ABJ)
- Enhanced synergies of CBJ with commercial banks

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SYNERGY OF WES GREEN BANKING EFFORTS WITH NATIONAL AND BANKING ACTIVITIES (4/4)

JORDAN KUWAIT BANK, JKB

- JKB issued the first Green Bond in Jordan, valued at USD 50 million
- Keen interest shown by Jordan Kuwait Bank in green projects
- Fully welcoming WES involvement/support



For more information:



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Thank you for your attention!

