



IDB Lab partners with Circulate Capital to combat ocean-bound plastics in Latin America and the Caribbean

October 25, 2021 – The innovation lab for the Inter-American Development Bank (IDB) Group, IDB Lab, announces a USD\$4 million investment commitment, along with an additional technical cooperation grant of \$500,000, to support innovative solutions to tackle the growing problem of plastic waste ending up in the oceans and waterways of Latin America and the Caribbean (LAC).

This circular economy investment will be combined with a capacity development program specifically for the Caribbean region, that would enhance the building of a potential investment pipeline in the Caribbean, through the support of regional innovation ecosystem actors. The investment will be managed by Circulate Capital, the investment management company focused on preventing ocean plastic and advancing the circular economy which has also managed the US\$106 million Circulate Capital Ocean Fund targeted to prevent ocean plastic in South and Southeast Asia since 2019 and has been backed by leading global corporations including PepsiCo, Procter & Gamble, Dow, Danone, Chanel, Unilever, The Coca-Cola Company, and Chevron Phillips Chemical Company LLC.

There are an estimated 150 million tons of plastic in the ocean today, growing by approximately 8 to 11 million tons a year, which is equivalent to a garbage truck of plastic unloading in the sea every minute.

A significant amount of plastic waste pollution leaks from the LAC region due to a lack of circular recycling systems, capital, and technical assistance in the sector. LAC generated 12% of the total global waste, just below East Asia and the Pacific, with ten of the top thirty global plastic polluters per capita hailing from the Caribbean region. However, only 4.5 percent of the waste was recycled, significantly below the world average of 13.5 percent.

“IDB Lab is honored to be a pioneer in committing capital to finance innovations that help to reduce plastic waste in the region through early-stage startups and SMEs. This initiative is an example of how IDB Lab can work together with the private sector to leverage funding from corporates to contribute to SDGs, emissions reductions, the circular economy, and a green recovery”, said Irene Arias-Hofman, CEO of IDB Lab.

The strategy will be focusing on investing primarily in early-stage start-ups and SMEs (Series A and B), promoting a plastic circular economy, and catalyzing investment from institutional investors at scale. The target is to fund systemic solutions that rethink and manage waste. The idea is to invest capital into companies that develop scalable solutions from innovative materials, reducing waste, to waste management infrastructure, such as collection, sorting, processing, recycling, and manufacturing.

“Leveraging the learnings of our work in South and Southeast Asia, we’re excited to partner with IDB Lab to catalyze capital to fight plastic pollution and advance the circular economy in Latin America and the Caribbean”, said Rob Kaplan, founder and CEO of Circulate Capital.

Beyond financing, the portfolio companies will get strategic support through strategic partnerships; training to improve communications, marketing, and sales, and skills development, including digitization efforts.



Collectively, this support will establish a higher standard of operations, as well as provide a robust mechanism for measuring impact.

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About [IDB Lab](#)

IDB Lab is the innovation laboratory of the IDB Group, the main source of financing and knowledge for development, focused on improving lives in Latin America and the Caribbean (LAC). The purpose of IDB Lab is to drive innovation for inclusion in the region, mobilizing financing, knowledge, and connections to co-create solutions capable of transforming the lives of vulnerable populations due to economic, social, or environmental conditions. Since 1993, IDB Lab has approved more than \$2 billion in projects developed in 26 LAC countries, including investments in more than 90 venture capital funds.

About [Circulate Capital](#)

Circulate Capital is an investment management firm dedicated to incubating and financing companies that prevent ocean plastic. We focus on the prevention of mismanaged plastic waste in countries located in South Asia and Southeast Asia, regions that contribute disproportionately to ocean plastic pollution primarily because they often lack investment in critical waste and recycling infrastructure to manage the problem. We were created in collaboration with Ocean Conservancy, and our founding investors include PepsiCo, Procter & Gamble, Dow, Danone, CHANEL, Unilever, The Coca-Cola Company and Chevron Phillips Chemical Company LLC.