

CoRe

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PRESS RELEASE

CoRe Alliance Urges Government to Introduce Budgetary Incentives for Recycling & Circular Economy in Budget 2026–27 in Line with Pakistan’s Climate Reform Agenda

Pakistan’s first multi-stakeholder packaging alliance, CoRe (Collect and Recycle), has urged the Government of Pakistan to introduce fiscal and policy incentives in the Federal Budget 2026–27 to strengthen waste collection, recycling infrastructure, and circular economy initiatives.

Sheikh Waqar Ahmad, CEO and Founding Director of the CoRe Alliance, emphasized the importance of policy support in strengthening Pakistan’s recycling ecosystem. “The federal budget presents a critical opportunity to advance green financing, incentivize investment in recycling infrastructure, and support the formalization of waste collection systems. These measures can contribute significantly to Pakistan’s climate reform agenda and complement broader policy reforms that may be supported through the Resilience and Sustainability Facility under the Staff-Level Agreement with the International Monetary Fund,” he said.

The CoRe Alliance has recommended State Bank-backed green financing, tax incentives for recycling and packaging recovery projects, fiscal incentives for the use of recycled content, exemptions on taxes and duties for recycling equipment and services, reduced duties on Reverse Vending Machines, and support for plastic-to-fuel infrastructure.

Babar Aziz Bhatti, Chairperson of CoRe Alliance’s Extended Producer Responsibility (EPR) Committee & CEO, Green Earth Recycling said, “Pakistan’s recycling sector has significant economic and environmental potential. With the right policy support and investment incentives, the country can improve recycling rates, reduce packaging waste leakage, and advance a more sustainable and resource-efficient economy.”

In this regard, CoRe Alliance has proposed the following recommendations for Budget 2026–27:

- Availability of Green Financing by State Bank of Pakistan to promote waste collection & recycling
- Five-year tax holiday for new & existing collection & recycling projects (Packaging Recovery Organizations) for multiple cities of Pakistan
- Introduction of tax rebates/financial incentives for companies achieving recycling targets or producing packaging made from recycled materials
- Exemption of sales tax, custom duty & zero tariff regime for import of equipment for recycling projects
- Exemption of General Sales Tax (GST) on waste sorting, collection, and recycling services to formalize the informal sector

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- Abolish/reduce duty for Reverse Vending Machines for collection of plastic packaging waste
- Incentivization of the plastic-to-fuel industry/infrastructure

Earlier this year, the CoRe Alliance shared its white paper on a harmonized and phased EPR framework for collection and recycling in Pakistan with the Ministry of Climate Change and Environmental Coordination.

CoRe Alliance currently comprises 32 of the country's leading industry players, recyclers, academic institutions, NGOs, development organizations, and multinational companies working collectively to eliminate packaging waste and advance circular economy solutions in Pakistan.

For more information:

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