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Overview of intersessional work

Context and Purpose

Ahead of the final INC meeting in Busan in December 2024: mandate for intersessional work in two **ad hoc intersessional open-ended expert groups**.

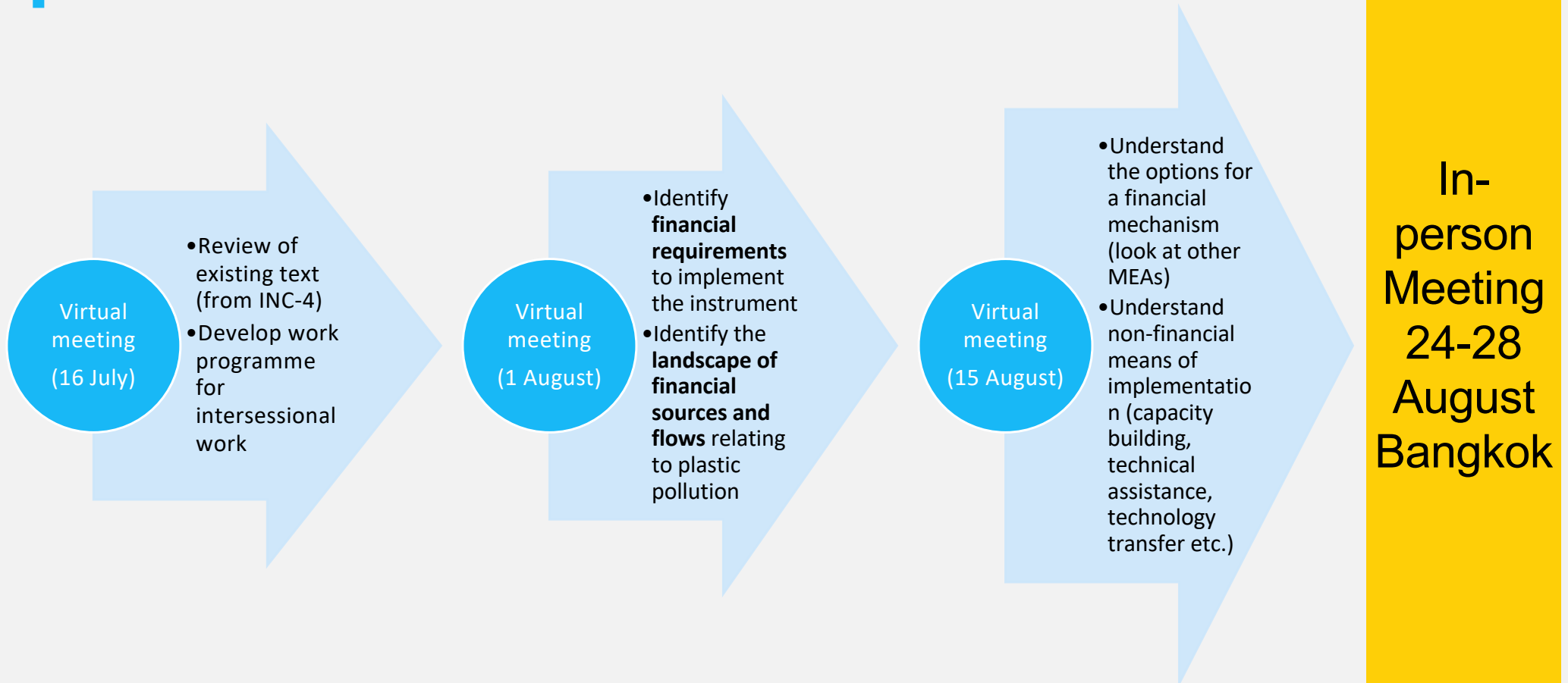
Expert Group 1

Develop an analysis of **potential sources**, and **means** that could be mobilized, for implementation of the objectives of the instrument, including options for the establishment of a **financial mechanism, alignment of financial flows**, and **catalysing finance**, for the consideration by the Committee at its fifth session .

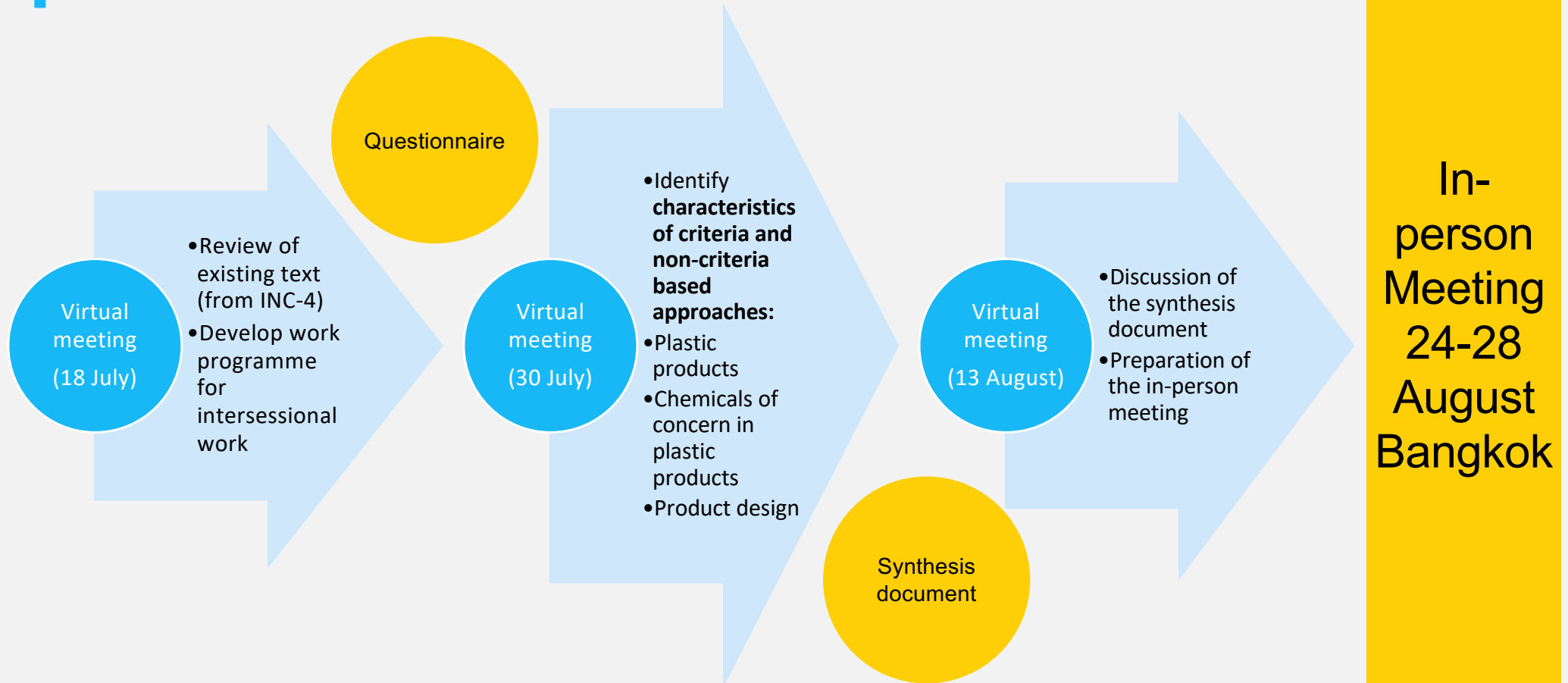
Expert Group 2

Identify and analyse **criteria and non-criteria based approaches** with regard to **plastic products and chemicals of concern in plastic products**, and **product design focusing on recyclability and reusability of plastic products**, considering their uses and applications, for the consideration by the Committee at its fifth session.

Work Plan Group 1



Work Plan Group 2



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Financing options for the Global Plastics Treaty

Background: Policy Brief on Financing Options



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Policy Brief
Financing Options



Scale of the challenge

Where are financial resources needed?

1. In all countries but in particular in those developing countries where sufficient institutional, administrative and technical capacities as well as infrastructure are lacking
2. In all economic sectors and all stages of the plastics life cycle
3. Priority sectors: packaging and consumer goods, construction and transportation
4. Priority stages: production, manufacturing and end-of-life

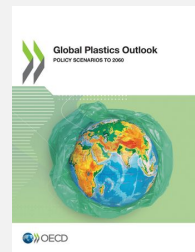
Scale of the challenge

Which actions and activities need to be financed?

1. Capacity-building, technical assistance, enabling activities and knowledge-related activities
2. Limit and reduce production, consumption, demand and supply of primary plastic polymers
3. Increase production, demand and supply of environmentally sound and safe recycled plastics
4. Phase-out and eliminate avoidable and problematic plastics, plastic products and chemicals
5. Increase environmentally sound reuse, recycled content and recycling of plastics and plastic products
6. Close leakage pathways
7. Improve disposal of plastic waste that cannot be prevented
8. Remove legacy plastic waste in the environment

Scale of the challenge

How much financial resources are needed?



1. Estimates of total costs of ambitious global action to reduce plastic pollution range between US\$ 9.3 and 16.9 trillion until 2040 (or annually between US\$ 550 and 1,101.8 billion)

BUT

2. Costs of inaction are higher than costs of ambitious global action to reduce plastic pollution
3. Compared to business as usual scenarios ambitious global action saves between US\$ 63 billion and US\$ 188 billion per year until 2040 (or in total between US\$ 1.3 trillion and US\$ 3 trillion)
4. Until 2040 ambitious global action significantly reduces plastic waste generation (between 184 and 192 million tons per year or between 28 and 47 percent) and mismanaged plastic waste (between 186 and 192 million tons per year or between 82 and 94 percent)

Financing options, sources and flows

What options are currently being discussed in the negotiations?

International sources and flows

1. Financial mechanism (public and private)
2. Global plastic pollution fee (private)
3. Official development aid (public)

Domestic sources

1. Extended producer responsibility (private)
2. Taxes, levies and subsidies (public)

Cross-cutting

1. Alignment of financial flows (public and private)
2. Private financing (private)

Alignment of financial flows

Essence

Redirects plastic-related financial flows towards solutions and away from pollution by mobilising and distributing financial resources to products, processes, behaviours, actions and activities that reduce plastic pollution and by phasing out harmful financial flows to products, processes, behaviours, actions and activities that contribute to plastic pollution

Domestic public financial flows

All expenditures and financial resources of domestic public institutions and authorities, such as government, ministries, regulatory agencies, etc., at national and sub-national level

International public financial flows

All expenditures and financial resources of intergovernmental organisations, such as the organisations, programmes and specialised agencies of the United Nations, as well as development finance institutions, such as the World Bank, African Development Bank, USAID, etc.

Private financial flows (domestic and international)

All expenditures and financial resources of non-public actors, such as businesses, financial institutions, civil society organisations, foundations or individuals

Financial mechanism

Essence

Mobilizes, distributes and channels resources for partially covering costs of treaty implementation with the aim of enabling parties to comply with the agreed obligations

Basic functions	Financing instrument (single or several funds) Coordination
Governance	Newly created independent body Embedded in existing organization Combination
Resource mobilization	Mandatory contributions Voluntary contributions Fees or levies
Funding purposes	According to rules agreed by parties
Financial flows	Increases mainly international public flows for solutions Can attract and increase private flows for solutions

Global Plastic Pollution Fee

Essence

Shifts the responsibility for covering costs to polluters (polluter pays principle) by collecting fee from them domestically and distributing revenues internationally

Basic functions	Financing instrument Economic instrument
Resource mobilization	Obligation to impose fee on polluters (typically producers) Governments pay fee and then charge polluters or not
Funding purposes	According to rules agreed by parties
Financial flows	Increases domestic and international private flows for solutions Can decrease polluting domestic and international public flows

Extended Producer Responsibility

Essence

Shifts the responsibility for covering costs to polluters (polluter pays principle) by obliging them to fund (and organize) reduction and management of plastic waste

Basic functions	Financing instrument Economic instrument
Resource mobilization	Obligation for polluters (typically producers) to fund and organize waste management and reduction
Funding purposes	According to rules laid down in legislation and/ or agreed by polluters
Financial flows	Increases domestic private flows for solutions Can decrease polluting domestic private flows Relieves public budgets and releases public financial resources

Private financing

Essence

Makes available much needed additional financial resources from profit-oriented financial actors that complement public financing

Basic functions	Financing instrument Economic instrument
Resource mobilization	Fiscal and economic incentives and disincentives Finance taxonomies and metrics Risk disclosure and assessment Financial supervision Labelling and certification of products
Funding purposes	Those that private actors consider profitable at reasonable risk
Financial flows	Increases domestic and international private flows for solutions Can decrease polluting domestic and international private flows Can relieve public budgets and releases public financial resources

Conclusions: holistic approach

- Review of plastic-related financial flows
- Determination of impact of financial flows on plastics pollution
- Development of criteria for redirecting and aligning financial flows
- Identification of suitable measures for redirection and alignment
- Consideration of mutual support and reinforcement of measures