



PREVENTING PLASTIC POLLUTION

International funding to aid domestic financing: A thematic summary

Exploring a key theme from the report *Possible elements of a new global agreement to prevent plastic pollution*

A new global agreement can catalyse an effective and immediate response to the global plastic pollution crisis by helping to scale up funding from all relevant sources, including public, private, international and domestic sources. Funding under the agreement should cover incremental costs incurred by governments in the implementation of the agreement, i.e., costs above and beyond those of business as usual in projected national plastic waste management activities.

The role of international funding

To be successful, a new global agreement must

take into account the different circumstances and capacities of developed and developing countries and address the institutional deficiencies and lack of capacity in many of the latter.

The agreement will have an important role in mobilising funding to formulate the national operational implementation mechanisms, namely the development of **National Plastics Sustainability Standards** and the development of **National Plastics Management Plans** (NPMPs). In addition, funding can assist in national reporting obligations, including the evaluation of national implementation.

Thus, international funding could target the following activities:

(1) Scientific and technical assessments to inform the formulation of policy and legal instruments to implement the agreement, such as:

- Mapping waste profiles and trends; mapping plastic flows through the domestic market; identifying appropriate regulatory and policy requirements; mapping market entry points for application of market-based instruments; mapping import and export of plastic wastes.
- Conducting socio-economic studies on the positive and negative impacts of regulatory and economic interventions, including job loss or creation and effects on gender equality and small-to-medium enterprises.
- Identifying capacity needs (customs, treasury, etc).

(2) Technical assistance for the formulation of policy and legal instruments, i.e., NPMPs and National Plastics Sustainability Standards, such as:

- Designing National Plastics Sustainability Standards, based on the internationally agreed sustainability criteria.
- Designing NPMPs to address the full value chain, including by implementing National Plastics Sustainability Standards, and setting nationally determined targets.
- Planning transition periods for implementation of regulatory and economic interventions based on socio-economic studies and stakeholder engagement.
- Capacity building for implementation of regulatory and market-based instruments, as well as trade-related aspects of reducing plastic pollution.
- Start-up fees or loans to establish national financial mechanisms.

(3) Scientific and technical evaluation of implementation outputs and outcomes required as part of national reporting on outputs and national assessment of environmental outcomes pursuant to the agreement, such as:

- Designing national inventories, methods for data collection and reporting as per agreed international standards.
- Establishing a review process based on harmonised timeframes agreed at the international level.

Against this backdrop, it is important to identify credible funding options for supporting developing countries. A non-exhaustive list of options includes:

- **UNEP's integrated approach to the financing of sound management of chemicals and waste** could help to service the needs of the agreement.
- **The Global Environment Facility (GEF)** could be entrusted to serve as financial mechanism of the agreement through its international waters program.

- **Technical support and training** could be delivered through a specialised unit within the secretariat, or be done in conjunction with existing research institutions.
- **Bilateral arrangements** could be used for the transfer of technology and improvement of waste management services.
- **International financial institutions, foundations and philanthropies** could help to leverage financial resources, including blended finance.

The role of domestic financing

The new global agreement to combat plastic pollution is envisaged to provide a toolbox to governments for the development and implementation of national regulatory and market-based instruments. The tools developed under the global agreement and the international funding provided to countries in establishing the regulatory and policy frameworks will support countries in need of assistance to incentivise investment by the private sector in product innovation through to waste management services.

Financing sustainable management of plastic waste will be key to eliminate leakage of plastic into the environment and will be critical to reducing the financial and logistical burden of waste management predominantly placed on local authorities and taxpayers. This can be achieved by developing mechanisms tailored to the national context to drive contributions by producers, consumers and other actors for waste management services. Examples include Extended Producer Responsibility (EPR) schemes, advanced recycling fees (ARF), advanced disposal fees (ADF) and deposit-return schemes. By implementing such schemes, waste management services can be financed domestically.

Critical to the success of national financing mechanisms – such as EPR schemes, ARF and ADF – is the appropriate allocation of funds collected through these schemes. Such funds should be ring-fenced with the goal of supporting waste management through education and subsidising of collection, sorting and recycling services, amongst others. Deposit-return schemes, reverse logistics and backloading schemes can assist in reducing the costs of transporting waste, particularly from rural and remote areas. International markets for plastic wastes can be improved if products meet international sustainability criteria.

By working towards a domestic market that limits products that are difficult to manage at the end of life, using National Plastics Sustainability Standards, greater value is given to plastic waste. This, in turn, will incentivise collection and sorting by both formal and informal sectors, helping to turn the tide on plastics entering the environment.