

Financing Considerations to Support an International Legally Binding Instrument on Plastic Pollution: Aligning and Catalyzing Financial Flows to Meet Needs-based Financing

Thursday, October 24, 2024

09:00 EDT / 15:00 CEST / 18:30 IST

Co-hosts:



Agenda

Opening Remarks

Recap of the First Two Webinars on Financing Considerations to Support an International Legally Binding Instrument on Plastic Pollution

Recap of the Ad Hoc Intersessional Open-ended Expert Group 1 Meeting

Panel Discussion

Q & A

Closing Remarks

Housekeeping / Logistics Information

- › **Participants are automatically muted** on this webinar.
- › **Questions for the speakers and the panel can be submitted during the course of the webinar** via the Q&A chat box; selected questions will be answered during the dedicated Q&A segment.
- › **A recording of this webinar, and a summary report will be shared** with participants following the event.
- › **Additional questions or comments** on the Financing Coordination Group can be directed to: Umesh Madhavan: umadhavan@thecirculateinitiative.org

Session Host



Michael Sadowski

Executive Director, The Circulate Initiative

Opening Remarks



Kate Lynch

Head of Division - Circular Economy, Department of Climate Change, Energy, the Environment and Water,
Government of Australia

Financing Coordination Group Webinar 3

Reflections on INC Discussions

24 October 2024

Kate Lynch
Head of Division – Circular Economy
Australian Government

Intergovernmental Negotiating Committee on Plastic Pollution

- discussions so far

Themes raised during discussions at INC2-INC4

- A new instrument will require an effective financial mechanism
- Addressing plastic pollution will require significant financial investment and all sources of financial resources should be explored
- Calls for funding to be adequate, accessible, timely and predictable to assist parties to meet their obligations under the instrument
- Funding allocated from the financial mechanism should be transparent, and directed to address significant issues in areas of greatest need and where there is limited capacity

Intergovernmental Negotiating Committee on Plastic Pollution

- discussions so far

Aim of the ad hoc intersessional work

...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

• Outcomes (in the Co-Chairs' report) include:

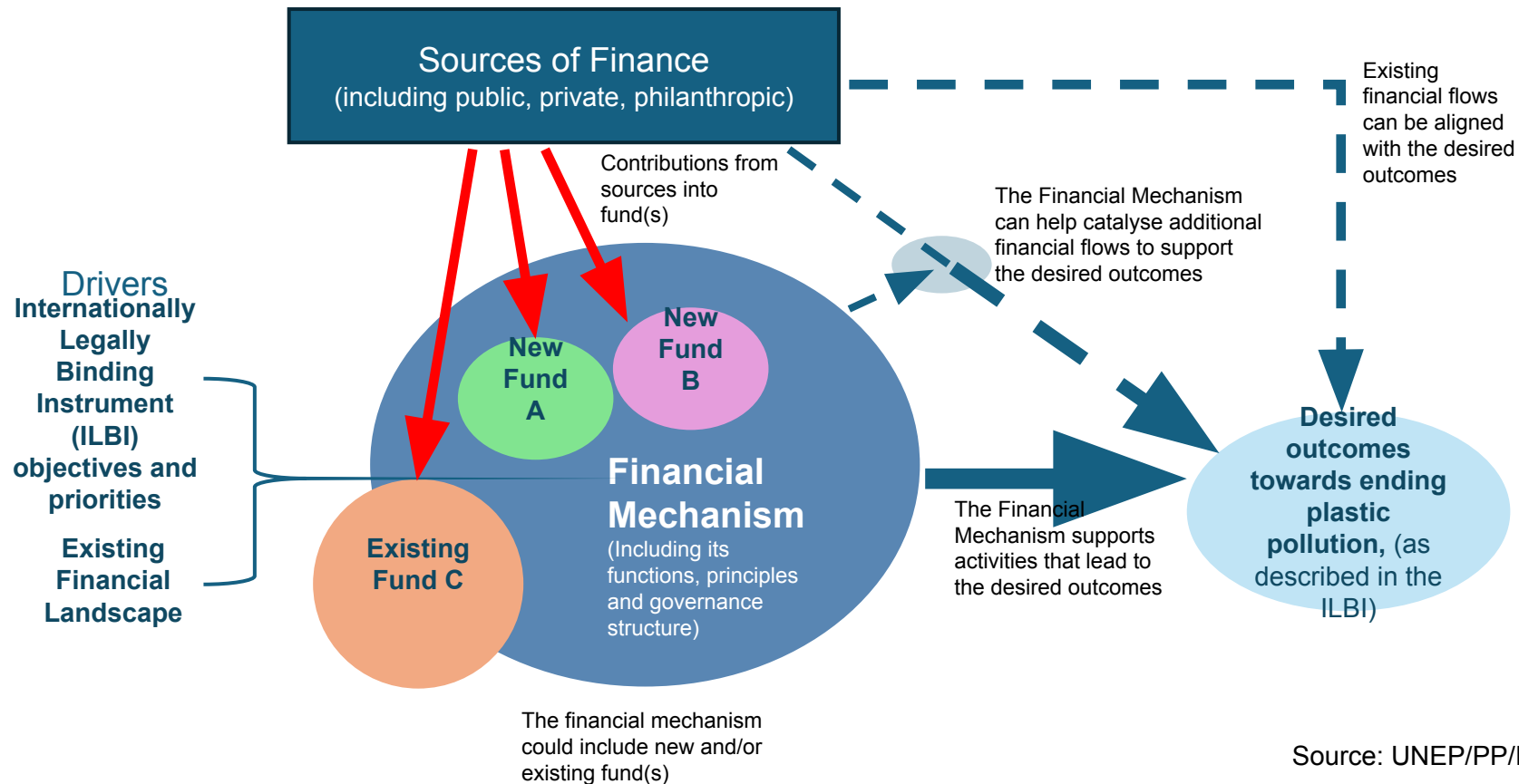
- Summary and examples of different sources of financing available to support the instrument
- Description and examples of various innovative forms of financing which could support the instrument
- Precedents of financial mechanisms used in other MEAs
- Analysis of the pros and cons of different fund architectures (standalone/dedicated fund; funds within existing multi-purpose multilateral fund; hybrid of existing and newly established)

Areas of convergence - establishment of a financial mechanism

- activities of the fund should be guided by direction from the Conference of the Parties (COP)
- the preference for programmatic rather than solely project-based funding, as this will allow longer term, strategic action to address plastic pollution
- the benefits of dedicated resources for capacity building, similar to those provided by the Multilateral Fund under the Montreal Protocol
- a desire for the fund to be administratively efficient, to maximise the funds available for disbursement
- a desire for balanced representation in governance arrangements

Intergovernmental Negotiating Committee on Plastic Pollution

- discussions so far



Intergovernmental Negotiating Committee on Plastic Pollution

- Next steps: INC5

Key questions we need to tackle

- To meet the objectives of the instrument, what activities will need to be undertaken, and by which actors?
- What financial resources are required to support these activities?

...to help us finalise negotiations on

- Purpose and scope of a financial mechanism
- Appropriate architecture for a fund (or funds)
- Source of contributions to a fund (or funds), and other sources that can be mobilised
- How funds should be allocated

Recap of the First Two Webinars on Financing Considerations to Support an International Legally Binding Instrument on Plastic Pollution

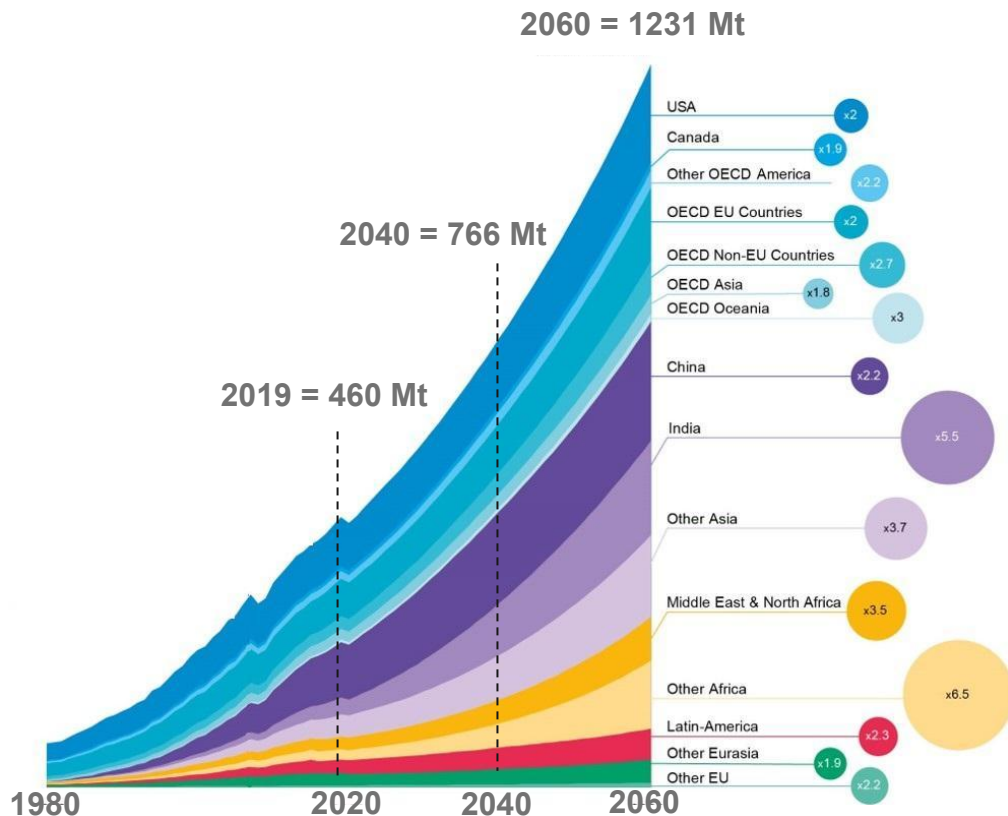


Christian Kaufholz

Head of Community Engagement and Impact, Resource Circularity - Global Plastic Action Partnership, World Economic Forum



Global plastics use is on course to almost triple by 2060

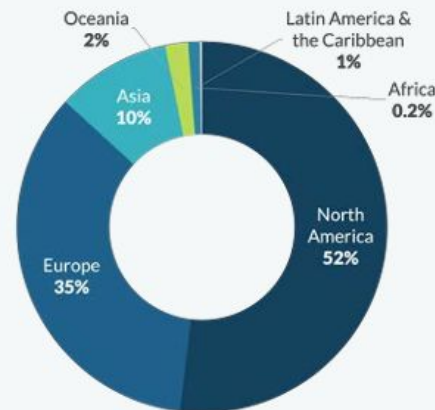


- **x3** plastics consumption by 2060
- **360 Mt** of waste generated in 2020, of which **22%** were mismanaged.
- More than **85%** of mismanaged waste occurred in **emerging and developing countries**
- By 2060, **153 Mt** of waste would still be mismanaged

Investment landscape shows major imbalances & gaps

- **Emerging economies received only 6% of investments** since 2018 despite being disproportionately impacted by plastic pollution. The top 20 countries where plastic emissions into the oceans occur are primarily located in emerging economies across Asia, Africa, Latin America, and the Caribbean.
- Recovery and recycling received 82% of all investment, whereas reuse and refill models received 4%.

Global Plastics Circularity Investments
by Region 2018-2023

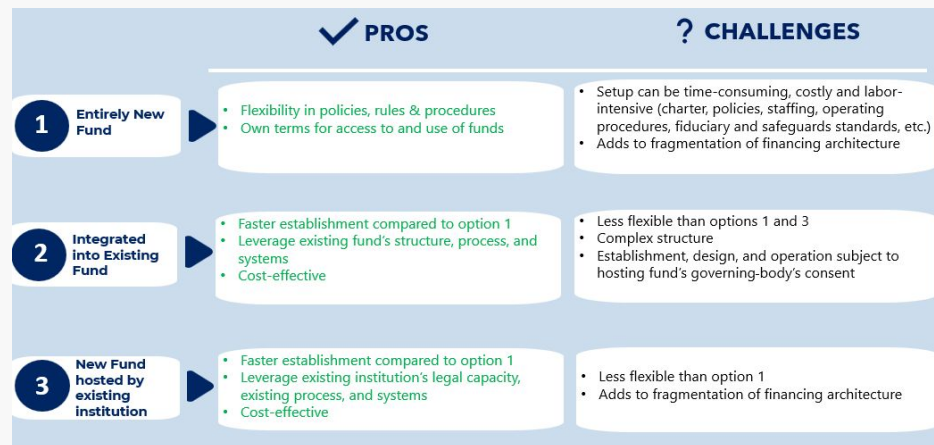


Key take-aways (1)

- **Learnings from financial mechanisms of existing MEAs:** predictable and stable fund, engagement and accountability, incremental cost approach and cost efficiency, dedicated partnerships.
- **The ILBI is more ambitious in scope:** large-scale investment required for full life-cycle / systems transformation. All sources and types of finance need to be fully leveraged.
- **Key types of financial support needed:** Implementation, Clearinghouse Functions, Compliance Costs, Unlocking Resources

Key take-aways (2)

- Options for Financial Mechanisms:



- Complementary Tools for Derisking Private Investment:** Blended Finance, Outcomes-Based Approach, Design Funding

- Challenges for Developing Countries:**

Inadequate and unpredictable funding, bureaucratic delays, accessibility requirements, co-financing conditions, capacity constraints, distrust. Support needed:

- Regulatory and Policy Development
- Financial and Technical Support
- Tracking Methodologies
- Support for Startups
- Economic Incentives

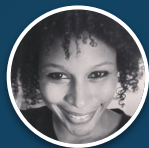
Recap of the Ad Hoc Intersessional Open-ended Expert Group 1 Meeting



Peggy Lefort

Pollution and Circular Economy Lead, UNEP FI

Panel Discussion



MODERATED BY:

Safiya Sawney

Special Advisor, Hon. Kerryne James, Minister of Climate Resilience, Environment and Renewable Energy and Special Envoy on Climate, INC Focal Point and Lead Negotiator for the Government of Grenada



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