

INC-4 -Official Side Event

Approaches to Capacity Building, Financing, and Financial Mechanisms

24 April 2024

TESS FINAL STATEMENT

Proposed Question: In previous work, TESS has highlighted the importance of a **Holistic Approach to resource mobilization & financing for treaty implementation: What does this holistic approach mean for what is needed in terms of treaty provisions?**

Thank you for the introduction & question. I am speaking on behalf of TESS Director, Carolyn Deere Birkbeck, who, due to health reasons, could not make it today.

To deliver on the UNEA mandate and develop treaty that ends plastic pollution based on a comprehensive approach, addressing the full lifecycle, we need sufficient means of implementation.

Drawing together different threads that we have heard today, this calls for a holistic approach:

1. An approach that **secures resources mobilization from *all* sources**, domestic and international, in *all* countries, and especially for developing countries, in the form of (i) financing, (ii) technology, (iii) knowledge; and, (iv) capacity building and training.
2. A holistic approach ensures **fair burden-sharing** among countries, between the public and private sector, and among all industries along the plastic value chain.
3. A holistic approach calls for **collaboration and action by a range of stakeholders**, including by all governments, international organizations, business, NGOs and the philanthropic sector. We need all hands on deck.
4. A holistic approach is also **sensitive to differences in national circumstances**, capacities and socioeconomic priorities. It recognizes that specific needs will vary along the value chain and for different provisions. We, thus, need match-making: matching specific needs with specific sources and mechanisms for financing.
5. A holistic approach, finally, recognizes the **opportunities** of treaty implementation and systems change. Treaty implementation and system change is not only *a must* to protect the environment & human health – the transition will also create economic & social opportunities. We need financing to unlock those opportunities and ensure that all countries and populations can seize them.

In good news, the draft revised text includes options that reflect elements of this holistic approach.

- Overall, the draft text **signals recognition that effective treaty implementation** by all countries – and thus the success of the treaty – **depends on the effectiveness of its financing pillar**, and in particular of adequate financing, support and cooperation for implementation by developing countries.
- The draft reflects the **need for contributions from all sources**, including governments, multilateral, regional, and bilateral entities, and the private sector.
- On **government resources**, the options in the draft treaty text recognize the relevance of domestic action to align fiscal incentives with the treaty goals, including tax incentives & government spending, such as government procurement and subsidies. It also recognizes that **overseas development assistance** will be required to support implementation in developing countries.
- The draft includes **provisions designed to implement the polluter pays principle**. This includes options related to EPR schemes that can generate resources for implementation from mid- and downstream industries, as well as options for a plastic pollution fee on upstream polymer producers, to ensure fair burden sharing and help with closing the large financing gap in developing countries.
- The draft includes options on **financial mechanisms**. Many developing countries are calling for timely, accessible, recurrent, predictable and adequate financing for implementation. The UNEA resolution calls for including provisions on the need for a financial mechanism, including the option of a dedicated multilateral fund. As governments seek convergence on this topic, it is worth reflecting on lessons from existing MEAs on options for the financial mechanism, which ones have worked best (or not) and where is there scope for innovation.
- Finally, the draft includes **options designed to catalyse private sector financing**, including disclosure requirements. The control measures will play a critical role in sending signals to investors and businesses that will help to unlock and guide private financing.

So, in the revised text, we have the elements needed for a holistic approach to financing. In closing, I wish to note that our focus here today has been on what elements could be included and supported in the treaty itself. Of course, beyond these elements, there are many critical additional initiatives and partnerships that will be vital to complement and support the treaty.

On behalf of TESS, thank you again for the opportunity to contribute to this discussion.