

Proposal for a Global
Plastic Pollution Fee in
the legally binding
instrument to end
plastic pollution.

Proposal by Ghana, 10 February 2023

Table of Contents

| | |
|-----------------------------|----------|
| Summary..... | 2 |
| Introduction..... | 3 |
| Objectives | 4 |
| Strategies..... | 4 |
| Administration | 6 |
| Conclusion | 7 |

Summary

UNEA Resolution 5/14 sets out the objective of ending plastic pollution, including in the marine environment, through a legally binding international instrument. To achieve this ambitious objective, countries need to close the plastic pollution gap – that is, the gap between the volume of plastic waste that we generate globally, and our global capacity to manage that waste in an environmentally safe and sound way.

Today, the extent of this pollution gap is very significant, so the volume of plastic pollution grows every day. Even with ambitious “upstream” control measures, the pollution gap is expected to keep growing in decades to come. To close this pollution gap and implement the objective of ending plastic pollution, we must make significant investments in environmentally safe and sound waste management infrastructure, especially in Africa and other developing countries; and we must also eliminate legacy plastic pollution, which is an important source of ongoing pollution.

Considerable funding is, therefore, needed to implement a legally binding instrument that ends plastic pollution. To raise sufficient funds, Ghana proposes that the legally binding instrument include a Global Plastic Pollution Fee (GPPF), as one of the tools to operationalise the “polluter pays principle”.

A GPPF would make two significant contributions to achieving the objective of ending plastic pollution.

- First, a GPPF would guarantee significant and predictable revenues – by some estimates, more than USD 300 billion per year¹ – to finance the full implementation of the instrument, in particular, environmentally safe and sound waste management infrastructure and the elimination of legacy plastic pollution, and other aspects of implementation, e.g., finance, technology, and capacity building including research, innovation, education and development.
- Second, a GPPF would be an effective control measure that helps to reduce plastic production and consumption. To end plastic pollution, the instrument needs to include measures to reduce the overall supply of, and demand for, plastics. A price-based measure, like a GPPF, could significantly contribute to this objective, and complement phase-out obligations.

Introduction

Plastic plays a very important role in all our societies as a key component in all manner of products – wrapping, protecting, and holding products together. As a reflection of the society’s increased standards of living in the past 50 years, many plastic products have become an integral part of the world’s social and economic development. Largely for that reason, plastic has become a beneficial element in almost all societies.

Yet, our unsustainable patterns of production and consumption of plastics have created an environmental and health catastrophe for the planet. Today, legacy plastic pollution weighs heavily on our oceans and land, our biodiversity, and human health. At the first Intergovernmental Negotiating Committee (INC) meeting, Ghana proposed the establishment of a “Legacy Fund” to finance the clean-up of legacy plastic pollution.²

Unfortunately, the amount of plastic pollution grows every day. We continue to generate vast quantities of plastic waste, much of which results in pollution that can be prevented by strengthening the capacity of countries to manage that waste in an environmentally safe and sound manner. However, this will only be possible if, alongside other control measures, all countries have access to modern waste management infrastructure to collect and sort plastic waste, and then recycle or dispose of it in an environmentally safe and sound way.

In addressing this challenge, the UNEA Resolution 5/14 sets out the ambitious objective of ending plastic pollution through a legally binding international instrument and calls for a holistic approach that addresses the full lifecycle of the plastic economy, taking into account, among others, the principles of the Rio Declaration on Environment and Development (Rio Declaration). In a legally binding instrument designed to tackle a major form of global pollution, Principle 16 of the Rio Declaration has special significance: “the polluter should, in principle, bear the cost of pollution, with due regard to the public interest and without distorting international trade and investment.”

Heartened by the commitment to achieve this objective and by solidarity messages made by other members of the INC at the INC’s first session in Uruguay, Ghana proposes the Global Plastic Pollution Fee (GPPF).

The proposed GPPF gives effect to the polluter pays principle, in the public interest, aligning the costs of ending plastic pollution under the legally binding instrument with a long-established principle of environmental action. By sharing the burden with polluters (not only on government budgets) to end plastic pollution, the GPPF would also provide significant and predictable financing, for environmentally safe and sound waste management infrastructure, and, through the Legacy Fund, for the elimination of legacy pollution.

Objectives

The GPPF is an innovative approach to financing sustainable plastic management by making a significant contribution to achieving the objective of ending plastic pollution under a legally binding instrument. The objectives of the GPPF are as follows:

- First, **as a means of implementation**, a GPPF could reliably raise significant and predictable revenues that could fund a safe and sound waste management infrastructure with the capacity to close the pollution gap. These revenues could also fund the elimination of legacy plastic pollution, through the proposed Legacy Fund, and other aspects of implementation, e.g., finance, technology, and capacity building including research, innovation, education and development. The Minderoo Foundation, for instance, recommends, “a levy on fossil-fuel polymer production and/or consumption to generate funds for scaling plastics collection, sorting, and recycling”.³
- Second, **as a control measure**, a GPPF would also contribute to reducing plastic demand – and hence, plastic production and consumption – through a higher price. The OECD, for instance, includes a finance charge as a key element of its mix of upstream and downstream policy scenarios to reduce plastic production and consumption.⁴ Under its scenarios, the OECD found that significant declines in plastic production, consumption, waste, and pollution would be “largely due to” a fiscal charge.⁵

Strategies

Given the scale of the global challenge that we face in ending plastic pollution, we must be open to considering all options, including innovative approaches, for inclusion in the legally binding instrument. It is important to have a realistic understanding of two connected factors:

- (1) Plastic pollution as a pervasive global problem; and
- (2) Reliance on plastic and how it evolves in the coming decades.

On the first factor, over many decades, our generation of plastic waste has far outstripped our capacity to manage that waste in an environmentally safe and sound manner. As UNDP puts it, “[t]he enormous volume [of plastics] vastly exceeds our capacity to treat plastic waste safely.”⁶

The latest data shows the current scale of this “pollution gap” between the volume of plastic waste that we generate globally, and the global capacity to manage that waste properly. In 2019, plastic production was 460 Mt, generating 353 Mt of plastic waste (more than double the volume of plastic waste in 2000).⁷ However, just 15% of plastic waste is collected for recycling; just 9% is recycled; 49% ends up in landfills; almost 20% is incinerated; and the remaining 22% is mismanaged, which includes waste “burned in open pits, dumped into seas or open waters, or disposed of in unsanitary

landfills and dumpsites.”⁸ This means that just 33 Mt of plastic waste is recycled each year, while the volume of legacy plastic pollution grows by a further 78 Mt each year.

Environmentally safe and sound waste management is a costly business, which calls for a developed infrastructure to collect and sort the waste, and then recycle or dispose of it acceptably. As a result, there are very few parts of the world that can claim to possess the infrastructure needed to manage its plastic waste properly – perhaps just a few developed countries, and even these countries struggle with plastic pollution. In the vast majority of the world, especially in Africa and other developing countries, the necessary infrastructure is lacking.

On the second factor, in considering approaches to end plastic pollution, we should take into account how the plastic economy is likely to evolve in the coming decades. It is projected that under a “business as usual” scenario, plastic consumption and plastic waste will almost triple by 2060, leading to a doubling of plastic pollution in that period.⁹ In other words, the pollution gap and the volume of legacy plastic pollution will continue to grow.

Even if ambitious “upstream” control measures were implemented to reduce plastic production and consumption, and even if plastic products are designed for circularity, plastic pollution is projected to increase.¹⁰ In other words, ambitious upstream control measures will not be enough, on their own, to close the pollution gap.

Instead, to close the pollution gap and end plastic pollution, we will need significant new investments in environmentally safe and sound global waste management infrastructure, alongside implementing ambitious “upstream” control measures.

In the first place, these infrastructure investments should aim to boost the recycling of plastic waste, so that the plastic economy becomes as circular as possible. However, even optimistic projections conclude that recycling cannot fully close the pollution gap.¹¹ Thus, with ambitious investments in recycling capacity, we will still be left with a significant volume of plastic waste for disposal through other environmentally safe and sound means.

The estimated cost of establishing a waste management infrastructure to close the pollution gap exceeds USD 300 billion¹² and, by some estimates, could be significantly higher.¹³ Further, developing countries would bear a significant portion of these costs because their waste management infrastructure is currently weaker. The OECD estimates that the bulk of the costs to develop waste management infrastructure would be borne by non-OECD countries, with the largest costs in Sub-Saharan Africa.¹⁴

These costs also do not account for cleaning up legacy plastic pollution, which is a current and egregious source of ongoing pollution that must also be ended under the legally binding instrument. With every year that the pollution gap is not closed, the volume of legacy plastic pollution in the environment grows. The costs of eliminating legacy pollution will likewise be significant.

Considerable funding is, therefore, needed to implement fully a legally binding instrument that ends plastic pollution. In the past, reliable and predictable funding for the implementation of

international environmental agreements has proved challenging for the international community. To overcome these challenges, Ghana considers that the INC must be open to innovative approaches to financing the instrument – like the GPPF.

Administration

In terms of administration, the collection of a GPPF from polymer producers would entail considerable efficiencies because the supply chain is relatively concentrated at that stage (there are relatively few polymer producers/countries). Unlike fragmented national fees, a globally coordinated fee under the instrument would ensure a level playing field for all producers, in keeping with the need to avoid market distortions under the polluter pays principle in the Rio Declaration. The GPPF would hold polymer producers accountable for the pollution costs of all their plastics, irrespective of the country where the plastics end their useful life, and of whether the plastics are ultimately destined for recycling or disposal.

An important purpose of the GPPF would be to generate funds to develop a global waste management infrastructure and meet other costs of implementing the legally binding instrument. The level of the GPPF should, therefore, be set to ensure that it provides sufficient resources to cover these costs. The level could be adapted over time, for example, with a phase-in period or to adjust the impact on plastic demand. The level of the GPPF could also be eco-modulated to encourage the production of more sustainable plastics.

Although the GPPF would be intended to fund the implementation of the legally binding instrument, producer countries should retain a sizeable share of the GPPF to cover the costs of collecting the GPPF from their producers. The GPPF would generate net positive revenues for these countries.

The residual revenues would then be used to fund the instrument's implementation, in particular an environmentally safe and sound global waste management infrastructure. This use of the residual revenues is warranted by the circumstances. Although relatively few countries enjoy the economic benefits of producing plastic polymers, their plastics end up all over the globe, sometimes through lawful trade, sometimes through unlawful trade, and sometimes simply carried by rivers, oceans, and the winds. Thus, while relatively few countries produce plastic polymers, all countries face the high costs of paying for the end-of-life treatment of these plastics. A GPPF offers an international solution to this transboundary problem, extending the responsibility of producers to pay for the costs of pollution.

The residual revenues could be administered through one or more regional or international entities, public and/or private. These international entities could develop global infrastructure and tackle legacy pollution in a more coordinated and efficient way than countries acting individually. The Legacy Fund could be funded by the GPPF and tackle legacy pollution in a coordinated and efficient way. For other aspects, Ghana is considering further the potential role of entities such as the Global Environment Fund or development banks; producer responsibility organizations; or other entities, possibly newly created.

Conclusion

The amount of plastic pollution is increasing daily as a result of the current pollution gap's size, which is very large. The Global Plastic Pollution Fee (GPPF) will catalyze sustainable financial mechanisms to contribute to the implementation of the legally binding instrument. Countries, civil society, and the business community should encourage the adoption of the GPPF, which supports the significant contributions needed to achieve the objective of ending plastic pollution.

The proposal for a GPPF as part of a legally binding instrument to end plastic pollution holds immense potential to significantly reduce the amount of plastic waste generated globally, and the amount of resulting pollution. The GPPF will serve as an economic incentive for companies to adopt more sustainable production and disposal practices, while also generating revenue that can be used to finance environmentally safe and sound waste management and clean-up initiatives. The implementation of a GPPF will require the cooperation and support of governments, civil society, and businesses worldwide. Nevertheless, it is a necessary step towards creating a cleaner and healthier planet for present and future generations.

¹ [CIEL Submission](#), p. 13. CIEL's estimate is based on the OECD's proposed fiscal charge (OECD, [Global Plastics Outlook: Policy Scenarios to 2060](#) (2022); and [OECD Submission](#)).

² [Statement by Ghana](#).

³ D. Charles & L. Kimman, [Plastic Waste Makers Index 2023](#) (2023), Minderoo Foundation, p. 15. See also [CIEL Submission](#), pp. 12-13.

⁴ OECD, [Global Plastics Outlook: Policy Scenarios to 2060](#) (2022); and [OECD Submission](#).

⁵ [OECD Submission](#), p. 2.

⁶ [UNDP Submission](#), p. 2.

⁷ OECD, [Global Plastics Outlook: Economic Drivers, Environmental Impacts and Policy Options](#) (2022).

⁸ The data is taken from OECD, [Global Plastics Outlook: Economic Drivers, Environmental Impacts and Policy Options](#) (2022), with the quote on p. 197.

⁹ OECD, [Global Plastics Outlook: Policy Scenarios to 2060](#) (2022). See also R. Geyer *et al.*, [Production, Use, and Fate of All Plastics Ever Made](#) (Science Advances, Vol 3, Issue 7, July 2017).

¹⁰ Pew Charitable Trusts and SYSTEMIQ, [Breaking the Plastic Wave, A Comprehensive Assessment of Pathways Towards Stopping Ocean Plastic Pollution](#) (2020), pp. 9, 10, 20, and 35. Page 35 of the report states: "without a comprehensive set of downstream [waste management] solutions being rolled out at the same time [as upstream control measures are applied], significant ocean leakage will still occur because much of the plastic produced will fail to be collected and managed, particularly in middle-/low-income countries."

¹¹ Pew Charitable Trusts and SYSTEMIQ, [Breaking the Plastic Wave, A Comprehensive Assessment of Pathways Towards Stopping Ocean Plastic Pollution](#) (2020), pp. 41, 83-85.

¹² OECD, [Global Plastics Outlook: Policy Scenarios to 2060](#) (2022), p. 19.

¹³ Pew Charitable Trusts and SYSTEMIQ, [Breaking the Plastic Wave, A Comprehensive Assessment of Pathways Towards Stopping Ocean Plastic Pollution](#) (2020), pp. 33-34, 42-43. Pew's scenarios suggest that the cost of establishing environmentally safe and sound waste management infrastructure could be considerably higher.

¹⁴ OECD, [Global Plastics Outlook: Policy Scenarios to 2060](#) (2022), pp. 19, 197.