



11/05/23

UNEP Finance Initiative

## Finance Leadership Group on Plastics

Pre-INC2 Thematic Event "Resource Mobilization and financial mechanisms" 11 May 2023



## About the Finance Leadership Group on Plastics

- **A core group of banks and insurers with total assets of USD 9.7trn\***
- Convened by UNEP FI and sponsored by Minderoo Foundation
- Working with other stakeholders such as PRI and the WEF



### Our Vision

**A thriving circular plastics economy** in a world without plastic pollution, achieved through **massive redirecting of financial flows** towards solutions, including circular economy solutions, which prevent and reduce plastic waste and ensure a remediation of legacy pollution and sustainable management of inevitable waste, safe for the environment and people and respectful of communities, and especially vulnerable ones.



### Our Objectives

- Provide **constructive input** for the development of an international legally binding instrument (ILBI) that creates the mandatory framework and the enabling environment for **the private finance sector** to fully play its role in ending plastic pollution
- Contribute to **building awareness** and **readiness in the private finance sector** to respond to the future ILBI through investment and financing

\* Total assets of active members and contributing members as at 31 December 2022

# ProCredit implementation of the plastic lending strategy

*Challenge: Broad involvement of plastic in every sector*

**Defining the objective and the scope**



*Challenge: Definition of harmful plastic to divest, sustainable plastic production to support*

**Definitions**



*Challenge: Create awareness but also build the scientific understanding*

**Capacity building of the staff**



**Portfolio Analysis**



*Challenge: Identifying the clients, which has different activities*

**Defining the strategy and preparation of the analysis tools**



*Challenge: Finding a harmony with other targets E.g climate change, biodiversity*

**Implementation**



*Challenge: Lack of enforcing regulation, market readiness and acceptance*

# Key messages\* from the Finance Leadership Group on Plastics on the INC Secretariat's Options Paper\*\*

✓ Elevate finance to an **objective to align all financial flows**, with the core obligation to create **the enabling environment for finance**

✓ **Mobilise financial flows from all sources, including from private source**

- 1 A clear, measurable and time-bound **overarching objective**
- 2 An **objective to align financial flows** from all sources, public and private, with the ILBI objectives
- 3 **A core obligation to create the mandatory framework and the environment that will enable alignment of all financial flows** (increasing financial flows from all sources to solutions to end plastic pollution, and decreasing financial flows from all sources which contribute to plastic pollution)

through core obligations, means of implementations and implementation measures including:

- 4 **Harmonised sustainable finance taxonomies**, definitions and metrics
- 5 **Mandatory disclosure requirements** on plastic related **risks and impacts** with a standardised minimum set of data
- 6 Incorporation of plastic pollution into **financial regulatory and supervision frameworks**
- 7 **Catalyse private investment** through policies, public-private partnerships, blended finance, de-risking mechanisms
- 8 Optimise co-benefits and synergies of financial flows targeting the **climate and biodiversity crises**
- 9 **Capacity building for governments** on private finance's role and mobilisation, **and for the finance sector** on the plastics value chain
- 10 **Clear definitions of financial flows from all sources, plastics, plastic pollution**

\* Based on the Finance Leadership Group on Plastics' Paper, which will be available at <https://www.unepfi.org/news/finance-leadership-group-on-plastics-reacts-to-inc-secretariat-options-paper-for-an-international-instrument-to-end-plastic-pollution-ahead-of-INC2>

\*\* UNEP/PP/INC.2/4

## Our expectations for INC2 and the intersessional process

- We hope an outcome of INC2 will be a **zero draft** which will set the bases for the intersessional work including private finance
- We have **willingness and stand ready to work** during the intersessional process **in view of INC3** on private finance considerations, including without limitation:
  - ✓ An objective to align financial flows from all sources, public and private,
  - ✓ A core obligation to create the enabling environment for alignment of all financial flows,
  - ✓ Shaping capacity building framework for governments on finance and for finance on plastics,
  - ✓ Stakeholder engagement including private finance sector,

By actively engaging with Member States, civil society, businesses, academia, financial actors and other stakeholders.

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**Thank you**

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