

## Report from INC-4 side event

### Approaches to capacity building, financing and financial mechanisms

Ottawa, Canada

24 April 2024

**Number of participants and breakdown of types of participants:** 155 (50% female / 50% male)

#### **Key messages resulting from the event:**

- a. All levels of government have a role in capacity building for an effective implementation of multilateral environmental agreements. Effective implementation of a legally binding instrument on plastic pollution will require subnational governments, cities and other local governments to expand and strengthen their waste management services. The [Local and Subnational Governments Coalition to End Plastic Pollution](#), launched in the context of INC-4, is an international coalition of local and subnational governments, and partner organizations, that aim to speak in a common voice calling for an ambitious treaty on plastic pollution and ensuring that the treaty recognizes the critical role that local and subnational governments have in addressing the current plastics crisis.
- b. We can learn from a long-standing experience of projects on the ground to support action across the life cycle of plastics to reduce plastic pollution, including efforts to restrict use of problematic and avoidable plastics, improve product design, and strengthen local solid waste management systems.
- c. Setting out a multi-stakeholder agenda, involving policymakers, businesses and financing communities, cities and other subnational governments, civil society and academia, can help to create a common vision on policy and infrastructure priorities that can create greater certainty among investors and de-risk participation by financing groups. Data collection and monitoring are important to adapt approaches over time and increase effectiveness.
- d. It is important that all voices are heard in the process of treaty development and implementation to develop national action plans to accurately reflect the situation on the ground and boost ownership and implementation. Women's voices are important in highlighting or elevating particular issues, especially those affecting families, society and health. Recognising traditional and indigenous knowledge is key to ensuring an inclusive process.
- e. A holistic approach to financing implementation of the treaty is important. Key elements of a holistic approach include: i) mobilizing timely and adequate resources from *all* sources – domestic and international; ii) ensuring fair benefit-sharing among countries, between the public and private sector, and among all industries along plastics value chains; iii) seeking collaboration and action by all stakeholders; iv) recognising differences in national circumstances, capacities and socioeconomic priorities; and v) recognising that implementation of a treaty that has a comprehensive approach and addresses the full life cycle of plastics will generate new economic opportunities as well as financing needs for a range different actors – governments, the private sector operating at different stages of plastics value chains, and the research community.

- f. Financing mechanisms that are designed nationally, internationally or by the private sector to support implementation, should be designed to facilitate access to funds by sub-national governments for subnational government priorities. Domestic public financing mechanisms may include market-based instruments such as Extended Producer Responsibility (EPR) schemes, which have been used in many countries to establish sustainable financing for waste management operations and to improve rates of separate waste collection and recycling. The concept of a plastic pollution fee, proposed in the context of plastic treaty negotiations and elaborated further by the Minderoo Foundation, could be a way to ensure the implementation of the polluter pays principle and generate revenues for redistribution. Ensuring a robust enabling environment for investments, including strong policy frameworks, will remain key to promote the strong involvement of the private finance sector.

### **Key policy considerations for the INC process resulting from the event**

- a. Rwanda counts on the forthcoming instrument to help bring in additional resources to developing countries. Important lessons can be drawn from other multilateral environmental agreements, including in terms of resources needed to support compliance related activities (institutional strengthening, enhanced domestic policies to create the right incentives and technology transfer) and on the design of effective MEA financial mechanisms.
- b. The identification of avenues to ensure sufficient sources of financing and the allocation of technical assistance and knowledge transfer are critical to ensure the effective implementation of an effective treaty on plastic pollution. It will be important to understand the different kinds of needs arising in relation to implementation of different aspects of the treaty and by different actors. The most appropriate sources of and approaches to financing will vary for particular needs.
- c. The treaty must include adequate means of implementation, including financial mechanisms, capacity building and technology transfer to ensure effective participation of all countries.
- d. There is scope for exploring innovative solutions, including looking at options to ensure a strong involvement of the private sector from the start. EPR is a promising policy tool for securing private sector funding that could be complemented with other approaches to support financing of much-needed infrastructural investments that would otherwise not happen. Stakeholders have proposed the introduction of a plastic pollution fee as an innovative financing instrument to support the implementation of the forthcoming instruments, in particular in developing nations. The fee could be designed to support control measures set out in the treaty
- e. EPR can be an effective financing mechanism for strengthening waste management systems and incentivizing reuse/refill, recycling and improved package design. Parties should also provide appropriate financial and technical support to their cities, towns, and other subnational governments for capacity building and infrastructure investment. The treaty can send important signals needed to scale up and align private sector financing for treaty implementation by providing a global framework of common rules and by recognising in its provisions the need to align public financing and economic incentives as well as private financing with the objectives and provisions of the treaty.

**What are the key knowledge products and resource tools that are currently available on the topics discussed in the side event, to inform negotiators in this process**

- [Local and Subnational Governments Coalition to End Plastic Pollution – Circulars \(iclei.org\)](https://iclei.org)
- [Towards Clean Oceans. Reducing plastic pollution through circular economy – Learning experiences of GIZ and its partners](#)
- [Global Action Partnership for EPR - Home \(prevent-waste.net\)](https://prevent-waste.net)
- [EPR Toolbox - Prevent Waste Alliance \(prevent-waste.net\)](https://prevent-waste.net)
- [Online Solid Waste Management University for Cities](#)

### **Annex I: Agenda of the event with presenters and titles**

Capacity building and mobilising financial resources will be crucial to implement objectives in a global plastics treaty. Both are intimately related. This session brings together a diverse group of speakers to share ideas and perspectives on available approaches, good practices and the roles of different actors. This session will be set-up in two parts, with discussions focused on:

- i. capacity development needs and approaches; and
- ii. financial needs and resource mobilisation.

Co-facilitators: Shardul Agrawala (Head of the Environment and Environment Integration Division, **OECD Environment**) and Kei Ohno Woodall (Senior Coordination Officer, **Secretariat of the Basel, Rotterdam and Stockholm conventions, BRS**).

Speakers:

- ❖ Jean Lemire, Envoy for Climate Change, Northern and Arctic Affairs, **Government of Quebec, Canada**
- ❖ Yuyun Ismawati, Senior Advisor & co-founder of Nexus3 Foundation, **Women's Working Group on Plastic Pollution**
- ❖ Clare Romanik, Lead Ocean Plastics and Urban Advisor, **United States Agency for International Development (USAID)**
- ❖ Prem Singh Tharu, Environment Programme Office, Asia Indigenous Peoples Pact, **Indigenous Peoples Caucus**
- ❖ Steffen Blume, Advisor and Project Manager, **GIZ**
- ❖ Juliet Kabera, Director General, **Rwanda Environment Management Authority (REMA)**
- ❖ Dominic Coppens, Senior Advisor at **TESS** and Professor of International Law at Maastricht University
- ❖ Haren Sanghavi, Co-Chairman, Environment Committee, **All India Plastic Manufacturers' Association**
- ❖ Nic Lockhart, Fellow, **World Trade Institute of University of Bern**