



**BAGONG PILIPINAS**

**The Global Plastics Treaty and  
Implications for Southeast Asia |  
12 September 2024**

# **Ad Hoc Intersessional Open Ended Group 1 - Overview**

**24-28 August 2024, UNCC, Thailand**

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CLIMATE CHANGE SERVICE



## Ad Hoc Intersessional Open-ended Expert Groups

### Mandated work for the two expert group

#### Expert Group 1

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 catalyzing finance. Co-chairs: Ms. Kate Lynch of Australia and Mr. Oliver Boachie of Ghana

#### Expert Group 2

Identify and analyze criteria and non-criteria-based approaches concerning plastic products and chemicals of concern in plastic products, and product design focusing on recyclability and reusability of plastic products, considering their uses and applications. Co-chairs: Mr. Axel Borchmann of Germany, Ms. Gwen Sisor of Palau, and Mr. Luay Almkhtar of Iraq

## Ad Hoc Intersessional Open-ended Expert Groups

### AGENDA - Group 1

Opening of the Meeting and Organization Matters

Update on previous Work, including the virtual meetings

Analysis of

- (1) Potential Sources and Means that could be mobilized for the implementation of the objectives of the instruments; including the
- (2) options for the establishment of the financial mechanism and
- (3) alignment of financial flows and catalyzing finance.

# Analysis of potential sources and means that could be mobilized to implement the instrument's objectives.

### Public Sources

- **Fiscal sources:** Taxes, fees, fiscal policies, and innovative financing mechanisms like polymer, plastic, and landfill fees.
- **Sustainability-linked sovereign debt:** Bonds with financial terms tied to achieving pollution reduction goals and debt-for-nature swaps.
- **Official Development Assistance (ODA):** Grants and concessional financing from high-income countries.
- **National and International Financial Institutions:** Grants, concessional, and market rate financing from institutions like the World Bank and IMF.
- **Impact Investing and Philanthropy:** Grants, concessional, and market rate financing from impact investors and philanthropic organizations.
- **Financial mechanisms of related conventions:** Grants, concessional, and market rate financing from multilateral and bilateral conventions focusing on climate change, biodiversity, chemicals, and waste.

### Private Sources

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**Analysis of potential sources and means that could be mobilized to implement the instrument's objectives.**

Public Sources

Private Sources

- **Retained Corporate Profits:** Profits reinvested by companies.
- **Sustainable and Impact Investment Funds:** Funds dedicated to sustainable and impact-driven projects.
- **Banking and Capital Market Green Debts:** Green loans and bonds from banks and capital markets.
- **Plastic Allowances and Credit Trading:** A market-based approach to incentivize pollution reduction.

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**Analysis of potential sources and means that could be mobilized to implement the instrument's objectives.**

### **Key Non-Financial Means**



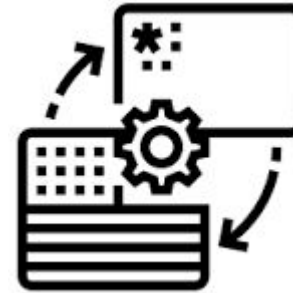
International  
Cooperation



Capacity  
Building



Technical  
Assistance



Technology  
Transfer



Information  
Exchange

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## Options for the establishment of a financial mechanism.

### Examples of Financial components of UN MEAs

#### CBD\_ Article 21. Financial Mechanism

1. There shall be a **mechanism** for the provision of financial resources to developing country Parties for purposes of this Convention on a grant or concessional basis the..... The operations of the mechanism shall be carried out by such institutional structure as may be **decided upon by the Conference** of the Parties at its first meeting. For purposes of this Convention, the Conference of the Parties shall determine the policy, strategy, programme priorities and eligibility criteria relating to the access to and utilization of such resources.

#### Basel Convention ARTICLE 14 Financial Aspects

- ..... **The Parties shall decide on the establishment of appropriate funding mechanisms** of a voluntary nature.
- The Parties shall consider the establishment of a revolving fund to assist on an **interim** basis in case of emergency situations to minimize damage from accidents arising from transboundary movements of hazardous wastes and other wastes or during the disposal of those wastes.

#### Stockholm Convention ARTICLE 13 Financial resources and mechanisms

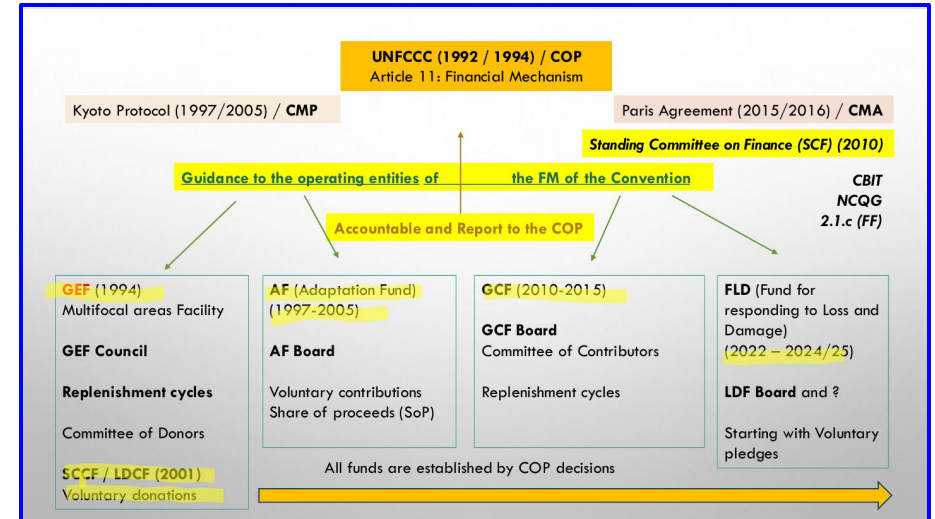
6. A mechanism for the provision of adequate and sustainable financial resources to developing country Parties and..... Its **operation shall be entrusted to one or more entities**, including existing international entities, as **may be decided upon by the Conference of the Parties**. The mechanism may also include other entities providing multilateral, regional and bilateral financial and technical assistance. Contributions.....

A **Treaty** establishes its **financial mechanism**, and may decide on the **needed interim** financial/funding provisions / arrangements

**FM:** principle(s), objective(s), responsibilities, obligations, review...  
A FM is effective at the entry into force of the treaty or as Parties decide

**Parties** to a UN MEA (COP) **decide** on the operating entit(y)ies, including "a **Fund**" (new or existing), of a FM.


**Fund(s):** needs, gaps, implementation, evolution of the process, ...  
Process needs to be considered to operationalize entity(ies) of a FM



Source: TRP [Mr. Kamal Djemoua's](#) presentation during the meeting.

## Ad Hoc Inter-Sessional Open-ended Expert Groups

# Options for the establishment of a financial mechanism.

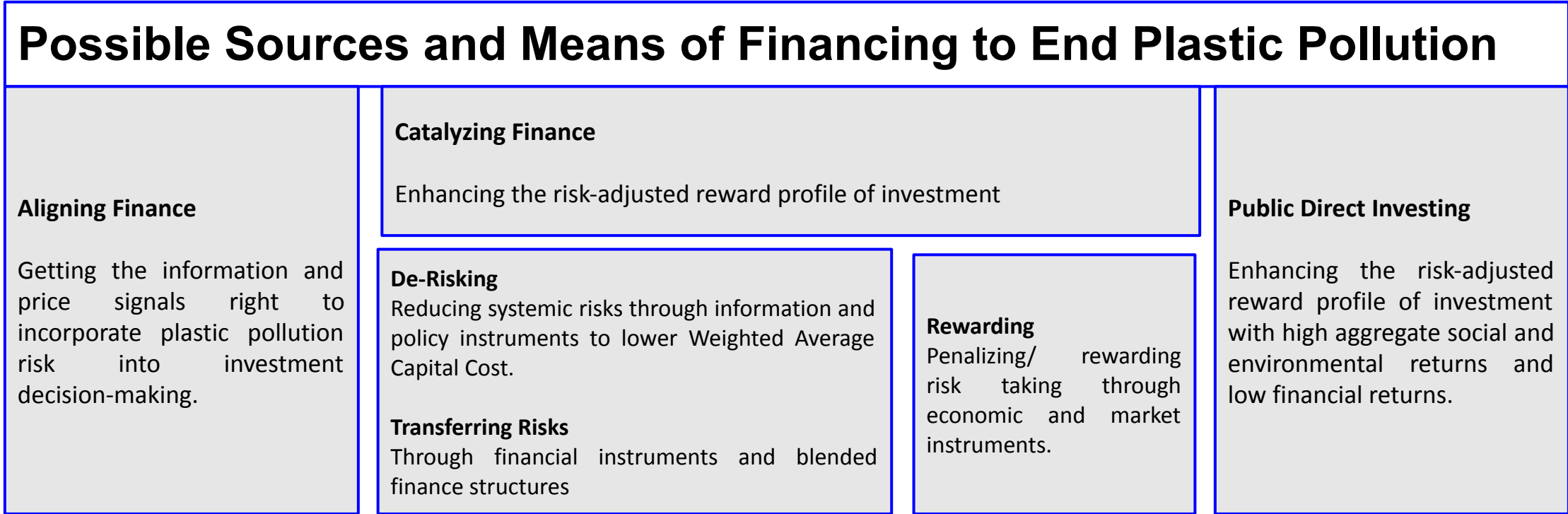
Funding Options and GEF Examples 				
1 Newly Established Dedicated Fund		2 Within Existing Fund	3 Hybrid, with Multiple Funds	
<b>New Fund within GEF family of funds</b> Example: GBFF	<b>New, independent fund, with Secretariat service</b> Example: Adaptation Fund	<b>GEF Trust Fund</b> Example: BBNJ	<b>New Fund within GEF family of funds</b> Examples: LDCF, SCCF (not time bound) GBFF (time bound)	<b>Designating GEF Trust Fund</b> Example: BBNJ
Flexibility to respond to treaty/ COP decisions on governance, project cycle, funding sources Timely operationalization Integration/multiple benefit potential Need to articulate unique value addition vis-à-vis GEF TF	Own governance, policy, access \$200 million +3 donors needed Complex and costly to operationalize Cross-programming with GEF may be challenging, while still may be easier than with external fund	GEF policies, procedures and the governance structure apply Included in replenishment Easiest to operationalize and enable integration with multiple benefits Governance changes need to be negotiated during GEF replenishment	Flexibility to respond to treaty/ COP decisions on governance, project cycle, funding sources Timely operationalization Fragmentation of support among the designated FM/funds Efforts needed to minimize duplication & enable coordination	Easy to operationalize GEF part Fragmentation of support among the designated FM/funds Efforts needed to minimize duplication & enable coordination

Source: TRP [Chizuru Aoki's](#) presentation during the meeting.



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**Alignment of financial flows and catalyzing finance.**



Source: [TRP Yannick Glemarec](#)'s presentation during the meeting.

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# Aligning financial flows under existing MEAs.

### GEF Role as Financial Mechanism and Family of Funds

Fund that serves BBNJ, CBD, CCD, Minamata Conv, Stockholm Conv, UNFCCC

Funds that serve UNFCCC

Funds that serve CBD

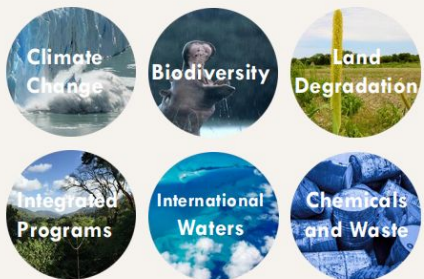
GEF Trust Fund

LDCF

SCCF

NPIF Fund

GBF Fund



\$2.5 billion for 520 projects,  
\$10 billion leveraged  
GEF-8: \$1.2 billion - \$1.7 billion

CBIT Trust Fund

\$58.3 million for 44 projects  
Mainstreamed into GEF Trust Fund



NPIF: \$15.1 million for 13 projects  
Mainstreamed into GEF Trust Fund

GBFF: Established in 2023  
\$110 million for 4 projects  
and 18 PPG requests

\$25 billion for +5,000 projects, \$145 billion leveraged  
GEF-8 (July 2023 to June 2026): \$5.33 billion

Source: TRP [Chizuru Aoki's](#) presentation during the meeting.

### Types of projects supported by the Multilateral Fund

- Project preparation (for stand-alone or multi-year projects)
- Demonstration projects (e.g., introduction of new technologies)
- Technical assistance projects (e.g., workshops on technology transfer and introduction, recovery/recycling of refrigerants)
- Stand-alone investment projects for eligible enterprises using controlled substances in their processes
- Multi-year agreements for investment and non-investment projects and policy measures
- One of the most significant contributions of the Fund is the capacity building assistance provided to countries through the **Institutional Strengthening projects** to establish their national ozone units who manage projects and activities towards compliance with the Montreal Protocol control measures

### 6 lessons learnt

1. **Predictable and stable grant funding for all developing countries;** this results in a long-term project implementation process to achieve sustained outcomes rather than project/programme-based outputs and outcomes
2. Strong engagement and accountability from both donor and recipient countries
3. Every project is designed with a strong capacity building element and regulatory elements to sustain outcomes and give the right market signals
4. Deal with industry wholistically, large, medium, small, very small and an approach that is driven by the country with robust data management and reporting. We go to specifics for prioritizing activities for implementation, and we don't leave any country on its own to sort out these specifics
5. Efficient and cost-conscious to achieve highest impact with the available financial resources
6. Dedicated and expert technical team / network – Secretariat, bilateral and implementing agencies, national ozone officers and members of the Executive Committee who feel ownership of the process

Source: [TRP Ms Tina Bimpili's](#) presentation during the meeting.

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### Recommendations



**Establish a stand-alone fund dedicated to the plastic pollution treaty**



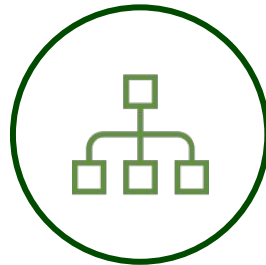
**Dedicated fund offers flexibility, control over resource allocation, and focused approach**



**Creating a new fund requires significant time, resources, and effort**



**Financial mechanisms should be explicitly specified in the treaty, including interim arrangements**



**Designate a board to decide on approval, allocation, and release of funds to concerned entities.**

# Ad Hoc Intersessional Open-ended Expert Groups

## Outcome

The outline of the Co-Chairs' report is as follows:

1. Introduction
  - a. Mandate of EG1
  - b. Purpose of the Co-Chairs' Report
  - c. Scope and Structure of the Report
  - d. The scale of the plastic pollution problem
2. Analysis of Potential Sources and MEAs that could be mobilized for implementation of objectives of the instrument
  - a. Matrix of Potential Sources of Financing to End Plastic Pollution
  - b. Roles of the Public and Private Sectors
  - c. Innovative Finance Sources
  - d. Other means of implementation
3. Options for Establishment of a Financial Mechanism
  - a. Overview and Attributes of an MEA Financial Mechanism (FM)
  - b. Pros and Cons of Potential Financial Mechanism
4. Alignment of Financial Flow and Catalyzing Finance
  - a. Overview of the concepts
  - b. Strategies for aligning financial flows
  - c. Approaches to Catalyzing Finance
5. Concluding Remarks

Note: The report will be published on this [site](#) by October 2024 for comments on the EG1.

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