

**Conference Room Paper submitted by Africa Group, GRULAC, Cook Islands, Fiji and  
Federated States of Micronesia**

Recognizing that the elements proposed for the financial mechanism are strongly interlinked with ambition agreed in the core obligations of the new International Legally Binding Instrument to address the full lifecycle of plastic.

**Article 11**

**Financial Mechanism**

1. The extent to which the developing country Parties will effectively implement their commitments under this instrument will depend on the effective implementation by developed countries Parties of their commitments under this instrument relating to financial resources, capacity building, technology assistance, technology transfer and international cooperation. Each Party shall provide, within its capabilities, resources for those activities that are intended to achieve the objectives of this instrument, taking into account national policies, priorities, plans, and programmes.
2. In the light of capacity constraints, Parties shall consider the specific needs and special requirements of developing States Parties, in particular the least developed countries, landlocked developing countries and small island developing States, taking into account the special circumstances of small island developing States and of least developed countries, in the allocation of appropriate funds and technical and technological assistance.
3. The developed country Parties shall take the lead on providing financial resources to support developing country Parties and Parties with economies in transition in fulfilling their obligations under this Instrument. Contributions from other sources, including, multilateral organizations, agencies and funds are encouraged to increase their support for the implementation of this Instrument.
4. A mechanism for the provision of adequate, accessible, new and additional financial resources under this Instrument is hereby established. The mechanism shall ensure efficient access and support to developing country Parties and Parties with economies in transition in implementing this Instrument.
5. The mechanism shall include a new dedicated independent multilateral fund operating under the authority of the Conference of the Parties, with contributions from developed country Parties that shall be calculated periodically on the basis of a scale of assessments, and contributions from other Parties on a voluntary basis and in accordance with their capabilities, and other public and private sources, to provide financial resources on a grant or concessional basis, as appropriate, and based on a programmatic approach, for but not limited to:

(a) Enabling activities and agreed incremental costs, including, inter alia:

- (i) Institutional strengthening, namely support for plastics officers similar to the ozone officers under the Montreal Protocol;
- (ii) Policy development and implementation, such as preparation of country programmes or national plans;
- (iii) iii. Remediation for legacy plastic pollution that can be of a transboundary nature
- (iv) Education and awareness raising;
- (v) Capacity-building and training, in coordination with other relevant initiatives;
- (vi) Technology Transfer and Development
- (vii) Reporting and monitoring; and
- (viii) Pilot and demonstration projects.

(b) Clearinghouse functions, including, inter alia:

- (i) capacity-building, technical assistance, technology transfer in Article XX;
- (ii) information exchange in Article XX;
- (iii) awareness, education and research in Article XX;
- (iv) dedicated programmes of work in Article [XX];
- (v) cooperation mechanism in Article [XX];
- (vi) financial guarantees;
- (vii) and other such functions as agreed by the Conference of the Parties;

6. Donor countries shall replenish the multilateral fund as agreed by the Conference of Parties, based on developing countries needs assessments undertaken by a subsidiary body established under the instrument. The subsidiary body will report directly to the Conference of the Parties needs assessments for supporting recipient countries in meeting their core obligations and control measures during the upcoming replenishment period.
7. The Conference of the Parties may consider the possibility of establishing or identifying other funds or entities, as part of the financial mechanism, as appropriate, to support implementation of this Instrument and make arrangements for their operationalisation.

8. The Conference of the Parties shall establish an Executive Committee, operating under its authority, to develop and monitor the implementation of operational policies, guidelines and administrative arrangements, including the disbursement of resources, and to promote transparency, accessibility and coordination, including among other funds and entities providing finance. The Executive Committee shall discharge its tasks and responsibilities, specified in its terms of reference as agreed by the Conference of the Parties. The members of the Executive Committee, which shall be selected on the basis of a gender and geographical balanced representation of the Parties, shall be endorsed by the Conference of the Parties.
9. An independent and designated secretariat shall be established to support the fund's governing body in managing the day-to-day operation of the fund, including inter alia: developing plans and budgets, reviewing project applications, organizing meetings, disbursing financing, and overseeing implementation.
10. The Conference of the Parties shall agree, at its first meeting, on the arrangements for operationalising the fund mentioned in Paragraph 4 including a governing instrument, its **designated** secretariat and an indicative list of enabling activities, agreed incremental and other costs and clearinghouse functions that could receive support, as recommended by the transitional Executive Committee established to make all necessary arrangements for the functioning of the new dedicated independent multilateral fund.
11. The Conference of the Parties shall review, no later than at its third session, and thereafter triennially, the programme budget and level of funding, the guidance provided by the Conference of the Parties to fund and entities entrusted to operationalize the mechanism established under this Article and its effectiveness, and its ability to address the changing needs of developing country Parties and Parties with economies in transition. It shall, based on such review, take appropriate action to improve the effectiveness of the mechanism.

#### **Adoption of Decisions at INC 5**

1. A transitional Executive Committee is hereby established to make all necessary arrangements for the functioning of the new dedicated independent multilateral fund for adoption at the first session of the Conference of the Parties. The members of the transitional Executive Committee shall be selected on the basis of a gender and geographical balance. In carrying out its functions, the Committee shall consider the following characteristics for the new Fund:

- (a) Direct and transparent access to resources by national governments, including through national, subnational and regional entities, and through an efficient structure of implementing agencies, consistent with the policies and procedures established by the fund's governing body;
  - (b) The fund's governing body shall have a balanced representation of developed and developing countries and a transparent governance structure.
  - (c) Allocation of grants to support national programs, with concessional finance available to both public and private entities for specific recipients or activities on a project basis;
  - (d) Provision of financial resources through contributions from developed countries, ensuring that resources are new, additional, adequate, predictable, sustainable and timely;
  - (e) Address the need to mitigate risks and issues of access as well as reduce costs, including currency exchange, associated with concessional loans.
  - (f) Funding by other parties on a voluntary basis and in accordance with their capabilities;
  - (g) Complementary sources of financing, including philanthropic and private sectors, and utilization of financial instruments;
2. The United Nations Environment Programme, or any entity in a position to do so, shall provide interim financial support for ratification, institutional strengthening and initial assessments, pending the operationalization of the new dedicated independent multilateral fund.