Section III (Financing mechanism).

The Russian Federation would like to note at the outset that some provisions to be discussed under Contact Group 2 and sub-group 2.1 are tightly related to provisions discussed under Contact Group 1. Therefore, our possible endorsement of such provisions is subject to the progress on such related issues in Contact Group 1.

Now on to the substance. With regard to finance, we have several points.

Para 6 Financing mechanism

The Global Environment Facility (GEF) is one of the key financing mechanisms to assist developing countries in the implementation of environmental projects, but the creation of new funds will entail additional costs.

Irrespective of whether we are going to establish new financial mechanisms or use the existing ones, financial contributions to such mechanism shall be voluntary and not be replenished by such taxes or fees.

At the same time, given the politicization of the work of the GEF, emphasize the need to adjust the existing policies of the Fund, in particular to ensure effective and transparent compliance with policies and procedures related to the consideration of funding proposals.

Para 9 of Financing section III

First, concerning the establishment of plastic pollution fees, including the global fee. We believe this is a prime example of the one-size-fits-all approach that many countries may find unsuitable to their unique circumstances, for example because it creates a financial and administrative burden for companies and competent authorities in case such a comparable fee already applies to all wastes, including plastic. Moreover, the regulatory measures can apply not only to producers, but also to consumers.

So at least for this reason, we oppose the inclusion of this paragraph 9 in its current form and we prefer option OP9 Alt (no text).
We believe that the administration of pollution fees as all fees should remain under national jurisdiction. In any of the scenarios, when deciding on the creation of a new financial mechanism or the use of existing mechanisms the budget of the financial mechanism should not be replenished by the mentioned tax.

Para 10 of Financing section III

Second, we’d like to draw the members’ attention to para 10 of Financing section III which obliges parties to decrease financial flows towards projects resulting in emissions from plastics and plastic products across the life cycle. We suspect that this paragraph could be seen as covering, among other things, the rather controversial subject of fossil-fuel subsidies while going far beyond what has been recently been agreed on this subject within other specialized fora such as the UNFCCC, which plays a key role in this area and holds its 29th COP session in Baku at the end of the year.

To the extent that this paragraph does cover fossil-fuel subsidies, we oppose its inclusion in the text in its current form and invite committee members to be mindful of the state of, and not to prejudge, negotiations on this subject in other key fora, foremost the UNFCCC.

We prefer option OP10 Alt 2 (no text).