

Text proposal for Article 11: Financial Resources and Mechanism

INC Chair Non-paper 3.0

Submitted by the United States on behalf of Australia, Canada, the European Union and its 27 member states, Iceland, Japan, New Zealand, Norway, Switzerland, Republic of Korea and the United Kingdom.

1. Each Party undertakes to provide resources in respect of those national activities that are intended to implement this Convention, in accordance with its national policies, priorities, plans and programmes. Such resources may include domestic funding through relevant policies, development strategies and national budgets, and bilateral and multilateral funding, as well as private sector investment and contributions.
2. This Convention aims to align financial flows and catalyze private finance mobilisation for the achievement of its objective.
3. Parties shall aim to align financial flows with the objectives of this Convention, including through, inter alia, establishing or extending fiscal measures, regulatory and economic instruments, producer responsibility schemes, information transparency, and sustainable public procurement, as appropriate. Bilateral, regional, and multilateral entities, as well as the private sector, are also encouraged to align their financial flows with the objectives of this Convention.
4. Parties shall aim to promote an enabling environment for private finance mobilisation. Parties should also take measures to increase the mobilization of private finance and to catalyze private investment, including through, inter alia, producer responsibility schemes, establishing or extending blended finance structures, de-risking instruments, and innovative public-private financing mechanisms, such as outcome bonds, credit facilities, and impact investments, as appropriate.
5. Parties should include in their national action plans and reporting their actions taken in furtherance of paragraphs 1, 3 and 4.
6. Recognizing that the ability of Parties most in need, particularly Small Island Developing States and Least Developed Countries, to implement some legal obligations effectively under this Convention will depend on the availability of resources, Parties should, and multilateral organizations, agencies, funds and the private sector are encouraged to, provide such support.

7. A Mechanism, composed of the Global Environment Facility Trust Fund, for the provision of financial and technical assistance is hereby established. The Mechanism is to support Parties most in need, particularly Small Island Developing States and Least Developed Countries, comply with their obligations under this Convention.
8. The Mechanism shall provide financial resources on a grant or concessional basis to meet the agreed incremental costs in support of implementation of this Convention, including the agreed full cost of enabling activities related to reporting obligations. In providing resources for an activity, the Mechanism should take into account the potential plastic pollution reductions of a proposed activity relative to its costs, and the reductions in the potential risk posed by plastic pollution to human health, animal health and the environment, while taking into account the specific needs and special circumstances of Parties that are Small Island Developing States or Least Developed Countries.
9. For the purposes of this Convention, the Mechanism shall be operated under the guidance of the Conference of the Parties. The Conference of the Parties shall provide guidance on policies, programme priorities and eligibility criteria for access to and utilization of financial resources.
10. Recognizing that the Mechanism will exist within a broader landscape of financial flows including from domestic finance, bilateral, regional, and multilateral entities, and the private sector, in providing resources for an activity, the Mechanism should take into account the additionality and complementarity of support for that activity with respect to all financial flows in furtherance of the Convention's objectives.
11. The Mechanism will be also utilized to support relevant programming for Indigenous Peoples as holders of indigenous knowledges, sciences, and practices.
12. The Mechanism shall seek to leverage resources from all sources for the activities it supports. All Parties are expected to contribute to the Mechanism on a voluntary basis, in particular those with both the financial capacity to do so and with high levels of plastic leakage, plastic product production, or polymer production.
13. The Conference of the Parties and the Global Environment Facility Trust Fund are to determine, at the first meeting of the Conference of the Parties, arrangements to give effect to the above paragraphs.
14. The Conference of the Parties shall review the guidance provided by the Conference of the Parties to operationalize the Mechanism under this Article and its effectiveness, transparency and responsiveness every [five] years. Such review should consider the broader landscape of existing financial flows including from domestic finance, bilateral,

regional, and multilateral entities, and the private sector. The Conference of the Parties shall also discuss how all relevant actors throughout the lifecycle will contribute to the mobilization of financial resources for the implementation of the instrument by countries most in need, particularly Small Island Developing States and Least Developed Countries, including how Parties can mobilize new and additional private sector contributions to support treaty implementation while respecting national fiscal sovereignty. It shall, based on such review, take relevant action to improve the effectiveness of the Mechanism.