

Text Proposal (India)

Financial mechanism

Part III Section 1 of Compilation text (UNEP/PP/INC.5/4)

Article 11 (INC Chair Non-paper 3)

Financial Mechanism

1. The Parties shall establish a mechanism for the purposes of providing financial and technical assistance, including the transfer of technologies, to parties operating under Article [-----] (*or Developing countries*) to enable their compliance with control measures set out in Articles [---] to [---]. The compliance, by Developing countries (parties) in respect to the control measures, shall be linked to provision of the incremental cost as assessed by the Subsidiary Body under this Instrument.
2. The mechanism established under paragraph 1 shall include a new dedicated Multilateral Fund. It may also include other means of multilateral, regional and bilateral co-operation.
3. The mechanism shall meet all agreed incremental costs of Parties operating under Article [-----] in order to enable their compliance with the control measures set out in Articles [---] to [---]. An indicative list of the control measures, for provision of incremental costs to comply with the control measures, shall be decided by the Governing Body of the Instrument.
4. The contributions from the dedicated Multilateral Fund to parties operating under Article [-----] (*or Developing countries*) shall be additional and distinct from other financial transfers received by such parties.
5. The Governing Body shall establish a subsidiary body to develop and monitor the implementation of specific operational policies, guidelines and administrative arrangements, including the disbursement of resources, for the purpose of achieving the objectives of the Multilateral Fund. The subsidiary body shall discharge its tasks and responsibilities, specified in its terms of reference as agreed by the Parties. The subsidiary body shall also facilitate transfer of technology from developed countries to

developing countries, for achieving a just transition towards sustainable production and consumption of plastics, in accordance with national circumstances under the financial mechanism.

6. The members of the Subsidiary Body, shall be selected on the basis of a balanced representation of parties operating under Article [-----] (or Developing countries) and of the Parties not so operating, and shall be endorsed by the Parties.

7. The subsidiary body shall undertake assessment on the technology and financial needs, including technology transfer, for each party operating under Article [-----] (or Developing countries) to comply with control measures set out in Articles [---] to [---].

8. The Multilateral Fund shall:

(a) Meet, on a grant or concessional basis as appropriate, and according to criteria to be decided upon by the Parties, the agreed incremental costs;

(b) Finance clearing-house functions to:

(i) Assist Parties operating under parties operating under Article [-----] (or Developing countries), through country specific studies and other technical co-operation, to identify their needs for co-operation;

(ii) Facilitate technical co-operation to meet these identified needs;

(iii) Distribute, information and relevant materials, and hold workshops, training sessions, and other related activities, for the benefit of Parties that are developing countries; and

(iv) Facilitate and monitor other multilateral, regional and bilateral co-operation available to Parties that are developing countries;

(c) Finance the secretarial services of the Multilateral Fund and related support costs.

9. The Governing Body of the instrument shall decide on activities to be funded in parties operating under Article [-----] (or Developing countries) through the dedicated fund and the modalities for provision of such funds, in order to enable the developing country parties comply with agreed control measures.

10. The dedicated fund shall be periodically replenished, by parties operating under Article [-----] (or Developed countries) and from various sources including private

sector, based upon modalities agreed by Governing Body. Additional contributions shall be considered, provided that such contribution:

- (a) Strictly relates to compliance with the provisions of this instrument;
- (b) Provides additional resources; and
- (c) Meets agreed incremental costs.

11. The Multilateral Fund shall operate under the authority of the Parties who shall decide on its overall policies.

12. The Parties shall decide upon the programme budget of the Multilateral Fund for each fiscal period and upon the percentage of contributions of the individual Parties thereto.

13. Resources under the Multilateral Fund shall be disbursed with the concurrence of the beneficiary Party.

14. The financial mechanism set out in this Article is without prejudice to any future arrangements that may be developed with respect to other environmental issues.

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