Japan’s statement on Financing

Japan believes that it is essential that all stakeholders should be engaged in addressing plastic pollution. In terms of funding to address plastic pollution, it is also important to mobilize financial resources from all sources, including voluntary funds from the private sector, in addition to public funding and the use of existing financial mechanisms.

We also believe that assistance needs to be prioritized to the most effective and cost-efficient measures to prevent emissions and releases of plastics. They should be limited to country with limited resources, since each country has limited financial resources and our limited resources should be used efficiently.

In this sense, for Paragraph 2, Parties should provide their support within their capacity and we believe that priority should be given to effective and cost-efficient measures aimed at reducing the discharge of plastics into the environment.

On paragraph 4, the purpose of funding should be clearer. Support should be targeted at efforts to establish a basic social system for sorting, collecting, transporting, storing, recycling and treatment at the local level, which is essential for environmentally sound waste management. This system can be applied not only to plastic waste, but also to all wastes. To maximize positive effects, effective measures that can receive fund should be well-planned in advance within local communities and coordinated with regional, subregional or national arrangement.

With regard to paragraphs 5 to 7, the discussion should initially focus on the utilization of existing funds. Establishing a new fund would incur additional administrative costs. It is also important to involvement of private sector for funding.

We believe that the GBF fund approach could serve as an example to consider. This fund operates under the management of GEF. The use of
existing funds would not only reduce administrative costs but also facilitate the efficient implementation of assistance. Our preference is close to Option 2, but we reserve our decision on whether we need to have a fund after examining its necessity.

In Paragraph 9 the choice of policies such as plastic pollution fee should be depending on national circumstances, as it would be more effective to be tailored to the actual situation in each country. Setting mandatory plastic pollution fee which is limited to producers, would be not appropriate. We would like to delete this paragraph.

For intersessional discussions, it would be useful to review the bilateral, regional, and international arrangement, in which supports have been provided so far, and to share what has been effective in what area from each country, in order to consider implementation of effective support.

We would like to make a submission of our proposal on these points.
1. Financing

1. Parties shall provide the necessary resources for national activities intended to implement this instrument*. Such resources may include domestic and international funding, as well as facilitation of private sector financing, including voluntary contributions.¹

2. Parties should, and multilateral organizations, agencies and funds are encouraged to, increase provide, within its capacities, their support, including through finance, capacity-building and technology transfer, by prioritizing the support to most effective and cost-efficient measures taken to prevent emissions and releases of plastics for the implementation of this instrument* by developing country Parties most in need.

3. Parties shall, and other stakeholders are encouraged to, in implementing paragraph 2 of this Article, take into account of the specific needs and special circumstances of Parties that are Small Island Developing States (SIDS) or least developed countries.

4. A Mechanism for the provision of predictable, sustainable, adequate, accessible and timely financial resources is hereby established to prioritize the support to most effective and cost-efficient measures taken to control leakage of plastics for the implementation of this instrument* by developing country Parties most in need, particularly SIDS and least developed countries. The Mechanism shall include financial resources from all sources, domestic and international, public, and private.

4-5. (New) The support provided in Paragraph 2 and 4 shall be targeted to most effective and cost-efficient measures, which are well-planned in advance within local communities and coordinated with regional, subregional or national arrangement to maximize positive effects for preventing emissions and releases of plastics. A Priority of the support shall be given to establish an effective social system at local level for handling, sorting, collection, transportation, storage, recycling and treatment of plastic wastes, which is indispensable to safe and environmentally sound waste management.

¹ Note: For a list of possible sources of financing beyond traditional sources, see paragraph 24(e) of document UNEP/PP/INC.2/4.
5.6. The Mechanism shall operate under the guidance of and be accountable to the governing body*.²

Option 1

6. The Mechanism shall consist of newly established dedicated Fund(s)*.³

7. The governing body* shall, at its first session, adopt the arrangements for the operation of the newly established dedicated fund(s).

Option 2

6. The Mechanism shall consist of dedicated Fund within an existing financial arrangement*.⁴

7. The governing body* shall, at the latest at its first session, conclude arrangements with the governing body* of the existing financial arrangement* for the operation of the Mechanism.

Provisions common for Options above

8. The governing body* shall review on a regular basis the level of funding, the guidance provided by the governing body* to operationalize the Mechanism established under this Article and its effectiveness, as well as its ability to address the changing needs of developing country Parties most in need. It shall, based on such review, take relevant action to improve the effectiveness of the Mechanism.⁵

9. Each Party shall establish a plastic pollution fee, to be paid by plastic polymer producers within its jurisdiction, and adopt the necessary legislative, regulatory and administrative measures for its collection. The governing body*, at its first session, shall adopt modalities and procedures for the implementation of the global plastic pollution fee, including on the contribution of the fee to the financial Mechanism established in paragraph 4.*

² Note: The two options below paragraph 5 could be considered individually or together.

³ Note: The fund(s) could be dedicated to specific purposes, such as addressing legacy plastic waste or innovation.

⁴ Note: The fund could be established within an ‘existing fund’, such as the Global Environment Facility (GEF) (https://www.thegef.org/who-we-are/organization).

⁵ Note: Adapted from Minamata Convention, Article 13.11.

⁶ Note: Modalities for the Global Plastic Pollution Fee could be established by the governing body. This Fee could hold polymer producers accountable for the pollution costs of all of their plastics, irrespective of the country in which the plastics end their useful life, and of whether the plastics are ultimately destined for recycling or disposal. It could generate revenue to finance environmentally sound waste management and clean-up initiatives.
10. Each Party shall take measures to:

a. decrease financial flows from all domestic and international, public, and private sources, towards projects that result in emissions and releases to the environment from plastics and plastic products across the life cycle, including microplastics; and

b. increase financial flows from all domestic and international, public, and private sources, towards projects that prevent or reduce emissions and releases to the environment of plastics and plastic products across the life cycle, including microplastics, including for the development of effective reuse and recycling system, and adequate waste management infrastructure.