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POLICY BRIEF

Financing Implementation of the Global Plastics Treaty

Delivering Outcomes for People, Nature and Climate

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About IUCN

IUCN is a membership Union uniquely composed of both government and civil society organisations. It provides public, private and non-governmental organisations with the knowledge and tools that enable human progress, economic development and nature conservation to take place together.

Created in 1948, IUCN is now the world's largest and most diverse environmental network, harnessing the knowledge, resources and reach of more than 1,400 Member organisations and around 16,000 experts. It is a leading provider of conservation data, assessments and analysis. Its broad membership enables IUCN to fill the role of incubator and trusted repository of best practices, tools and international standards.

IUCN provides a neutral space in which diverse stakeholders including governments, NGOs, scientists, businesses, local communities, Indigenous Peoples' Organisations and others can work together to forge and implement solutions to environmental challenges and achieve sustainable development.

Working with many partners and supporters, IUCN implements a large and diverse portfolio of conservation projects worldwide. Combining the latest science with the traditional knowledge of local communities, these projects work to reverse habitat loss, restore ecosystems and improve people's well-being.

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Executive Summary

The future international legally binding instrument on plastic pollution presents a historic opportunity to address one of the most pervasive drivers of environmental degradation worldwide. Yet the effectiveness of the treaty will ultimately depend not only on the ambition of its substantive obligations but also on the availability of adequate, predictable, accessible and sustainable financial resources to support implementation.

Plastic pollution is intrinsically linked to the triple planetary crisis of biodiversity loss, climate change and pollution. It affects terrestrial, freshwater, coastal and marine ecosystems, threatens food security and human health, and imposes significant economic costs on societies worldwide. Effective implementation of the treaty therefore represents an opportunity not only to reduce plastic pollution but also to advance biodiversity conservation, ecosystem restoration, climate resilience and sustainable development.

Finance should not be viewed as a standalone negotiating issue. Rather, it is a core means of implementation that will determine whether Parties can translate treaty commitments into tangible outcomes. An effective financial mechanism must support implementation across the full lifecycle of plastics, mobilize resources from multiple sources, respond to the needs of developing countries, and remain sufficiently flexible to evolve over time.

Drawing on lessons from other multilateral environmental agreements, including the Montreal Protocol, the Convention on Biological Diversity, the United Nations Framework Convention on Climate Change, and the Agreement on the Conservation and Sustainable Use of Marine Biological Diversity of Areas Beyond National Jurisdiction (BBNJ Agreement), this brief identifies key considerations for negotiators and proposes recommendations for a future plastics treaty financial mechanism.

1. Finance as an Enabler of Treaty Implementation

Plastic pollution has emerged as one of the defining environmental challenges of the twenty-first century. Addressing this challenge will require significant investments across the plastics lifecycle, including sustainable product design, alternatives and substitutes, reuse systems, circular economy infrastructure, waste management, monitoring, enforcement, remediation, technology transfer and capacity-building.

Many developing countries, particularly Small Island Developing States (SIDS) and Least Developed Countries (LDCs), face substantial financial, institutional and technical barriers to implementation. Without adequate support, implementation gaps could undermine the effectiveness of the treaty and limit its ability to achieve its objectives.

Finance should therefore be understood as part of a broader package of means of implementation, alongside capacity-building, technical assistance, scientific cooperation and technology transfer.

The central question for negotiators is not simply how to establish a financial mechanism, but how to create a financing and legal architecture capable of delivering implementation at scale and generating measurable environmental and social outcomes.

2. Addressing the Triple Planetary Crisis

Plastic pollution contributes directly to biodiversity loss, climate change and environmental degradation. Plastics affect ecosystems throughout their lifecycle, from extraction and production to use, disposal and leakage into the environment.

An effective financial mechanism should therefore support actions that contribute simultaneously to:

- Reducing plastic pollution;
- Conserving biodiversity;
- Restoring degraded ecosystems;
- Enhancing climate resilience;
- Improving human health and well-being;
- Supporting sustainable livelihoods.

Investments under the treaty should seek to maximize environmental and social co-benefits while supporting implementation of treaty obligations.

This approach aligns with UNEA Resolution 5/14, the Kunming-Montreal Global Biodiversity Framework, relevant chemicals and waste conventions, and global efforts to address the triple planetary crisis.

3. Nature-Positive Plastics Finance: An IUCN Perspective

Plastic pollution is increasingly recognized as a significant driver of biodiversity loss across terrestrial, freshwater, coastal and marine ecosystems. Consequently, financing solutions should not only seek to reduce pollution but also contribute to nature-positive outcomes.

Nature-positive plastics finance refers to investments that simultaneously reduce plastic pollution while supporting conservation, restoration and sustainable use of biodiversity and ecosystems.

Examples include:

- Restoration of coastal and marine ecosystems affected by plastic pollution;
- Integrated watershed and river basin management to prevent plastic leakage;
- Circular economy approaches that reduce pressure on natural resources;
- Community-led waste management and recycling initiatives;
- Innovations that reduce microplastic release from textiles, tyres and other products;
- Nature-based solutions that contribute to pollution reduction and climate adaptation.

Financial resources mobilized under the treaty should encourage investments that generate measurable biodiversity, climate and social benefits alongside pollution reduction objectives.

4. Current State of Negotiations

Discussions on finance have emerged as one of the central issues in the plastics treaty negotiations.

While differing views remain regarding the structure, governance and funding sources of the financial mechanism, several areas of convergence have emerged through negotiations and intersessional work.

There is growing recognition and acknowledgement that:

- Financial support will be essential for effective treaty implementation;
- Developing countries require predictable and accessible support;
- Public finance alone will be insufficient to meet implementation needs;
- A diversity of funding sources will likely be necessary;
- Finance should support implementation across the full lifecycle of plastics;
- Capacity-building, technology transfer and technical assistance are closely linked to financial support.

At the same time, discussions continue regarding the balance between dedicated treaty financing arrangements and the use of existing international funding institutions.

5. Lessons from Existing International Agreements

Experience from other multilateral environmental agreements demonstrates that there is no single model for effective environmental finance.

The Montreal Protocol demonstrates the value of dedicated implementation support linked to treaty objectives. Although the Multilateral Fund was established through decisions of the Parties following adoption of the Protocol, rather than through the original treaty text, it has become a cornerstone of implementation, illustrating how financing arrangements can evolve over time in response to Parties' needs.

The Global Environment Facility (GEF) has extensive experience supporting the implementation of multilateral environmental agreements, including biodiversity, climate and chemicals-related instruments, where Parties have chosen to make use of the GEF as part of their financing arrangements.

The Kunming-Montreal Global Biodiversity Framework highlights the importance of mobilizing resources from all sources to support implementation, including public, private and innovative finance, while ensuring appropriate safeguards, transparency and accountability.Taken together, these experiences suggest that the effectiveness of a financial mechanism depends less on its institutional form and more on its ability to mobilize and deliver adequate, accessible and predictable resources that enable implementation and support measurable outcomes for people, nature and climate.

Comparative Lessons from International Environmental Agreements

Agreement	Financial Architecture	Key Strengths	Relevant Lessons for the Plastics Treaty
Montreal Protocol	Dedicated Multilateral Fund under the authority of Parties	Predictable support for implementation in developing countries; strong track record of compliance and environmental effectiveness	Dedicated implementation finance can accelerate treaty implementation and build confidence among Parties.
Paris Agreement	Multiple funding channels including the Green Climate Fund, Global Environment Facility, Adaptation Fund and broader public and private finance mobilization	Mobilizes finance from a wide range of sources and links finance to long-term transformational change	Large-scale transitions require mobilization of finance from all sources and alignment of financial flows with treaty objectives.
Kunming-Montreal Global Biodiversity Framework (KMGBF)	Resource mobilization framework supported by the Global Biodiversity Framework Fund (GBFF), GEF and broader biodiversity finance reforms	Promotes whole-of-government and whole-of-society approaches to finance biodiversity conservation and restoration	Plastic pollution, biodiversity loss and climate change are interconnected and financing approaches should maximize environmental co-benefits.
BBNJ Agreement	Hybrid architecture combining assessed contributions, a Special Fund, voluntary contributions and cooperation with existing financial institutions including the GEF	Balances flexibility, predictability and accessibility while drawing on multiple funding sources	Dedicated treaty financing and existing institutions can be complementary rather than mutually exclusive. Hybrid approaches can facilitate consensus while supporting implementation.

Dedicated Fund, Existing Institution, or Hybrid Model?

Discussions on the plastics treaty have highlighted differing views regarding the most appropriate financial architecture. Some Parties favour the establishment of a dedicated fund under the authority of the Conference of the Parties, citing the experience of the Montreal Protocol Multilateral Fund and the importance of predictable implementation support. Others emphasize the benefits of utilizing existing institutions such as the Global Environment Facility, including established governance arrangements and operational capacity. A third approach, reflected in the BBNJ Agreement, combines dedicated treaty financing with existing financial institutions and additional funding sources. Ultimately, the effectiveness of any model will depend less on its institutional form than on its ability to mobilize adequate, predictable and accessible resources that support timely and effective implementation

6. Lessons from the BBNJ Agreement: Building Consensus on Finance

Among recent multilateral environmental agreements, the BBNJ Agreement offers perhaps the most relevant and contemporary example for the plastics treaty negotiations. Like the plastics treaty process, BBNJ negotiations involved complex discussions on financing responsibilities, implementation support, capacity-building and technology transfer. The resulting hybrid financing architecture provides valuable lessons for negotiators seeking practical pathways towards consensus.

Like the plastics treaty process, negotiations on finance under the BBNJ Agreement reflected differing views regarding funding sources, governance and institutional arrangements. Parties ultimately recognized that implementation would require a flexible financing architecture capable of mobilizing resources from multiple sources.

The resulting mechanism combines:

- Assessed contributions by Parties;
- A dedicated Special Fund;
- Voluntary contributions;
- Cooperation with existing funding institutions including the Global Environment Facility;
- Opportunities to mobilize public and private finance.

This hybrid architecture helped bridge political differences while ensuring that implementation support would be available from the outset.

Key lessons for the plastics treaty include:

- Focus on implementation outcomes rather than institutional preferences;
- Ensure finance is operational from the earliest stages of implementation;
- Allow financing arrangements to evolve over time;
- Combine dedicated and existing financing arrangements where appropriate;
- Mobilize resources from multiple complementary sources.

The BBNJ experience demonstrates that hybrid approaches can provide a practical pathway towards consensus while preserving ambition.

7. Legal and Institutional Considerations for Negotiators

The effectiveness of a financial mechanism will depend not only on the amount of finance mobilized but also on the legal architecture established by the treaty. Several of the financing issues examined in this brief intersect with broader questions regarding treaty design, institutional arrangements, and coherence with existing international legal frameworks. These issues are analysed in greater depth in IUCN's policy and legal analysis, *Gaps and Synergies between Proposals for a Global Plastics Treaty and Existing Multilateral Environmental Agreements*.

Several considerations may assist negotiators in evaluating options.

Legal certainty and predictability

The treaty should provide sufficient certainty regarding the availability and accessibility of financial resources while allowing flexibility for future operational decisions. The financial architecture should promote transparency, accountability and confidence among both contributors and recipients of funding, while allowing for innovative arrangements that can leverage and coordinate with existing international, regional and national financial institutions.

Means of Implementation

Financial resources should be considered alongside capacity-building, technology transfer, technical assistance and scientific cooperation as mutually reinforcing means of implementation. Accordingly, financing arrangements should be designed to support and facilitate these interconnected elements, and evaluation criteria should reflect their contribution to effective treaty implementation.

Accessibility

The financial mechanism should respond to the specific needs and circumstances of developing countries, particularly SIDS and LDCs, and seek to minimize barriers to access. As illustrated by the BBNJ Agreement, early access to financial and technical support can enhance implementation readiness by helping countries strengthen national capacities, establish institutional arrangements, undertake implementation planning, and facilitate participation both before and after a treaty enters into force.

Governance and Accountability

The Conference of the Parties should provide strategic oversight and guidance while ensuring transparency, accountability and responsiveness. Where elements of the financial mechanism are administered through existing international financial institutions, formal cooperation arrangements, such as memoranda of understanding or equivalent governance instruments, may be required to ensure accountability to the Parties and to address concerns identified during negotiations, drawing on lessons learned from other financial mechanisms and multilateral environmental agreements. The treaty should promote coherence and complementarity with existing international financing mechanisms and relevant multilateral environmental agreements, while avoiding unnecessary duplication and maximizing opportunities for coordination and synergy. At the same time, any financing arrangements should respect the mandates, governance structures and legal parameters of existing agreements and institutions.

Evolution over time

Implementation needs will evolve as the treaty matures. The legal architecture should therefore allow future Conferences of the Parties to progressively strengthen and refine financing arrangements without requiring renegotiation of the treaty itself. Drawing on lessons from other multilateral environmental agreements, such flexibility may enable Parties to adapt financing modalities, make use of complementary mechanisms, and adjust institutional arrangements over time in response to evolving implementation needs, priorities and agreed objectives.

8. Mobilizing multiple sources of Finance

Given the scale and complexity of the plastics challenge, an effective financial mechanism is unlikely to rely on a single source of funding. Instead, it should seek to mobilize resources from a broad range of public, private, philanthropic and innovative sources, while ensuring coherence with treaty objectives and appropriate safeguards.

Public Finance

Public finance will remain essential for supporting implementation, capacity-building, technology transfer, institutional strengthening and implementation readiness, particularly in developing countries, including SIDS and LDCs. Public finance also plays a critical role in leveraging additional sources of funding and supporting activities that may not attract commercial investment.

Private Finance

Private investment can contribute to innovation, infrastructure development, circular economy business models and sustainable production systems. Where private finance is mobilized, appropriate safeguards, transparency and accountability measures should help ensure alignment with treaty objectives and avoid actual or perceived conflicts of interest.

Innovative Finance

A range of complementary financing approaches may also contribute to implementation, including:

- Extended Producer Responsibility (EPR) schemes;
- Product fees and levies;
- Deposit-return systems;
- Producer-funded collection and recycling systems;
- Blended finance mechanisms;
- Green, blue and sustainability-linked bonds;
- Circular economy investment vehicles;
- Philanthropic contributions;
- Other market-based approaches consistent with national circumstances and treaty objectives.

Innovative finance can help expand the overall pool of available resources and create incentives for more sustainable production and consumption patterns. However, such approaches should complement, rather than replace, public financial commitments and international implementation support.

The relative contribution of different financing sources and instruments may vary across countries and over time, reflecting national circumstances, implementation needs and evolving treaty priorities. As implementation needs evolve, Parties may also wish to consider how different financing approaches can complement one another and contribute to a more diversified, resilient and effective financing architecture. Innovative finance can help expand the overall pool of available resources and create incentives for more sustainable production and consumption patterns. However, such approaches should complement, rather than replace, public financial commitments and international implementation support.

9. Operationalizing the Polluter Pays Principle

The Polluter Pays Principle is a well-established principle of environmental governance and may play an important role in supporting treaty implementation.

Potential mechanisms include:

- Extended Producer Responsibility systems;
- Product-based levies and fees;
- Producer-funded waste collection and recycling systems;
- Reporting and disclosure requirements;
- Other market-based instruments consistent with national circumstances.

These approaches may help mobilize additional resources, internalize environmental costs and create incentives for more sustainable production and consumption patterns. The design and application of such measures should take into account national circumstances, implementation capacities and the need for equitable outcomes.

10. Supporting a Just Transition

The transition towards more sustainable and circular approaches to plastics production, consumption and waste management will have important social, economic and livelihood implications. Financial mechanisms can play a critical role in supporting equitable implementation and ensuring that the costs and benefits of transition are shared fairly.

Financial mechanisms should support:

- Informal waste workers;
- Small and medium-sized enterprises;
- Women and youth;
- Indigenous Peoples;
- Local communities;
- Workers and sectors affected by the transition towards circular economy models.

A just transition approach can help ensure that implementation contributes to sustainable development, social equity and long-term economic resilience. In particular, financial support can facilitate capacity-building, skills development, livelihood diversification and inclusive participation in the transition to more sustainable and circular plastics systems.

IUCN Recommendations

IUCN recommends that Parties:

1. Establish a financial mechanism that is adequate, predictable, accessible, transparent and responsive to country needs.

2. Support a flexible and adaptive financing architecture capable of combining dedicated treaty financing arrangements with existing international funding institutions and other complementary sources of finance.

3. Ensure financing supports implementation across the full lifecycle of plastics, including prevention, circular economy approaches, waste management, remediation, capacity-building and technology transfer.

4. Mobilize resources from public, private and innovative financing sources while maintaining public finance commitments and ensuring appropriate safeguards, transparency and accountability.

5. Prioritize support for developing countries, particularly SIDS and LDCs, including through measures that strengthen implementation readiness and long-term implementation capacity.

6. Promote nature-positive plastics finance that contributes to biodiversity conservation, ecosystem restoration, climate resilience and sustainable development.

7. Advance a just transition for workers, Indigenous Peoples, local communities, women, youth and other groups affected by the transition towards more sustainable and circular plastics systems.

8. Promote coherence and complementarity with biodiversity, climate and chemicals agreements and their respective financing mechanisms, while respecting their mandates and governance arrangements.

9. Design governance arrangements that ensure accountability to Parties, transparency in decision-making and effective oversight of financial resources.

10. Focus negotiations on implementation outcomes and the effective mobilization and delivery of resources rather than institutional preferences alone, drawing on lessons from the BBNJ Agreement and other multilateral environmental agreements.

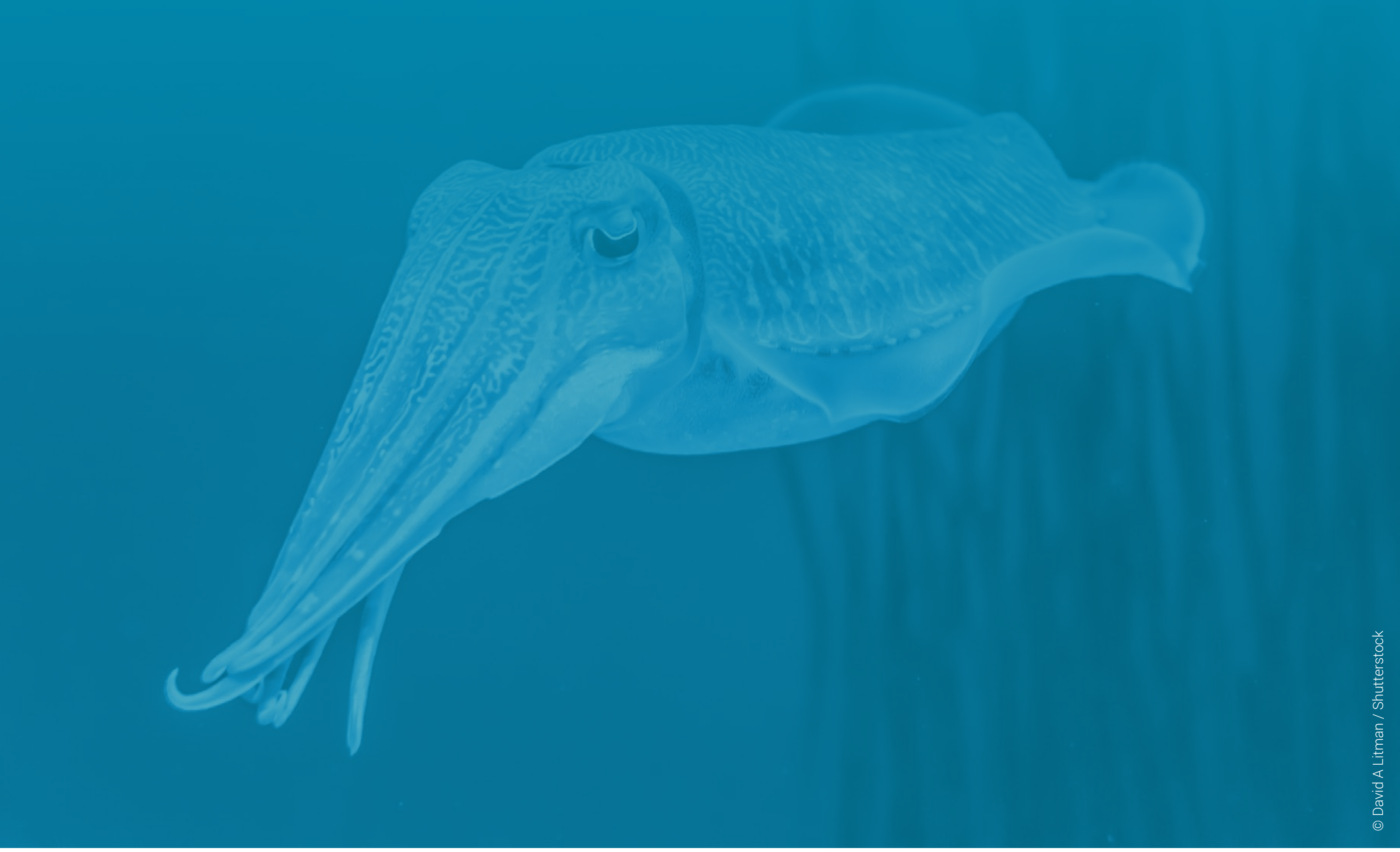
Conclusion

The success of the future plastics treaty will depend not only on the obligations it establishes but also on its ability to mobilize and deliver the resources needed for effective implementation. Negotiators should therefore focus on developing a financing architecture that is practical, accessible, adaptable and capable of supporting implementation from the earliest stages of the treaty's operation.

Ultimately, the key consideration is not whether finance is delivered through a dedicated fund, an existing institution or a hybrid arrangement. Rather, it is whether the financial mechanism can mobilize adequate and predictable resources, reach those most in need, and deliver measurable outcomes for people, nature and climate.

Resources:

- IUCN's legal training at UNEA-7: building capacity and setting the ground for an ambitious Plastic T...
- For a Plastics Treaty that conserves nature
- Addressing biodiversity conservation and plastic pollution in Ghana
- Second part of the Fifth session of the Intergovernmental Negotiating Committee on plastic pollution...



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