

## Key issues

- Definition of developing countries
- Financial flows
- Transparency mechanism at the time of disbursement
- Definitions of activities to be funded by financial mechanism

## Definition of Developing Countries

According to the UN, a developing country is a country with a relatively low standard of living, undeveloped industrial base, and moderate to low Human Development Index (HDI). This index is a comparative measure of poverty, literacy, education, life expectancy, and other factors for countries worldwide. In turn, this makes the UNFCCC list of developing countries inaccurate and the wrongful precedent to set the financial flows of the mechanism.

We encourage member parties to reach a holistic, converging view of a list of countries with the lowest HDI index, in order to assess the gaps needed in financing. Furthermore, we suggest a need-based approach to the HDI, as SIDS and other archipelagic states and Indigenous would need substantial funding to promote equitable implementation of the treaty.

## Suggestions on Financial Flows

The financing mechanism of the Convention should be designed to ensure equitable financial flows, with contributions tied to the principle of common but differentiated responsibilities, as binding obligations. Developed countries, international financial institutions, and the private sector should provide mandatory contributions to support the implementation of the Convention's objectives, particularly in developing countries and those with economies in transition.

- The contributions should be based on the “polluter-pays” principle, meaning countries with the highest plastic pollution footprints should contribute proportionally to the funding pool.
- These resources should be directed toward capacity-building, technical assistance, and the execution of national activities that align with the treaty's goals, particularly for Parties with limited resources.
- To ensure fairness and accountability, transparent reporting and auditing mechanisms should be in place to track the allocation and use of funds.
- These financial flows should be subject to independent review and continuous monitoring by the Conference of the Parties (COP), which should oversee the financial mechanism's effectiveness in addressing the needs of vulnerable countries, ensuring the alignment of financial support with the most urgent priorities, and upholding the principles of equity and sustainable development.

## Transparency Mechanisms

A robust transparency board and mechanism will be integral to the effective implementation and accountability of the financing system under the Convention.

- This mechanism should ensure that all financial contributions and disbursements are transparent, publicly accessible, and subject to rigorous auditing procedures.
- The transparency board should oversee the flow of funds, tracking the sources, allocations, and use of financial resources, with detailed records made available to all stakeholders.
- It should also ensure that contributions from both public and private sector entities, as well as international institutions, are disclosed, maintaining full accountability and alignment with the treaty's objectives.
- Furthermore, an independent body should review the reports submitted by Parties, assessing the adequacy of the support received and the progress made in implementing national actions.

By fostering transparency, the mechanism aims to build trust among Parties, ensure that resources are equitably distributed to address the most pressing needs, and uphold the integrity of the Convention's implementation process. This would enable the effective monitoring of the treaty's goals while ensuring that all Parties are held accountable for their financial contributions and the actions they take to combat plastic pollution.

## Definition of Financing Activities

The financing mechanism should fund a broad range of activities aimed at addressing the root causes of plastic pollution in a way that is inclusive, sustainable, and equitable.

- These activities should include capacity-building and technical assistance to develop local expertise and institutional frameworks, particularly in developing countries, as well as programs that promote public awareness and education about the impacts of plastic pollution.
- Funding should also support the creation of sustainable waste management systems, scientific research into alternatives to plastic, and restoration projects for ecosystems damaged by plastic waste.
- The mechanism should prioritize social equity by supporting initiatives that invest in communities, including marginalized groups and those disproportionately affected by plastic pollution.
- Additionally, resources should be allocated to the development of national policies and governance

structures, strengthening the ability of governments to enforce regulations and foster cross-sectoral cooperation.

- Finally, the financing mechanism should encourage global collaboration, funding joint initiatives between countries and multilateral organizations to share knowledge and best practices.

Guided by principles of equity, human rights, and sustainability, the funding should ensure that all Parties, particularly those with limited resources, can effectively address plastic pollution while promoting a just and inclusive transition to a world free of plastic pollution.