

The plastics treaty finance mechanism

Lessons from other Multilateral Environmental Agreements regarding access for waste pickers and other grassroots groups

- Innovations for access in the finance mechanisms of other MEAs
- Key lessons for enabling access in the plastics treaty
- Relevant text from other MEAs and COP decisions

Introduction

There is broad agreement among the Intergovernmental Negotiating Committee (INC) regarding the need for the plastics treaty¹ to include a just transition for waste pickers, Indigenous Peoples, and local communities (hereafter ‘grassroots groups’) as a key tenet of the instrument. These groups are central to achieving all the objectives of the plastics treaty. They are on the frontlines of the plastics crisis - waste pickers collecting approximately 60 per cent of all the plastic that is collected for recycling globally² - and they are already innovating solutions, in line with mounting evidence that community-led approaches (Box 1) are highly cost-effective and impactful.³

It is vital, therefore, that the plastics treaty’s finance mechanism makes funds directly accessible to waste pickers and other grassroots groups, while also providing support to low- and middle-income countries to meet their obligations under the agreement.⁴

Over recent years, the finance mechanisms of the UN Framework Convention on Climate Change (UNFCCC), the Convention on Biological Diversity (CBD) and the Biodiversity Beyond National Jurisdiction Agreement (BBNJ) have introduced a number of promising innovations that open up finance to grassroots groups. The agreement at the CBD COP 16 in relation to the Cali Fund, for example, was that at least half of the funding should support the ‘self-identified needs of Indigenous Peoples and local communities’.^{5 6} And in the Adaptation Fund, up to US\$5 million is available to each country to set up a nationally administered small grants programme for grassroots groups. **The INC needs to learn from these and other examples explored in this paper.**

We recommend that the INC follow the example of recent MEAs by:

1. Establishing a new independent global fund as part of the finance mechanism⁷
2. Focusing this fund on ‘ensuring efficient access to funding through simplified application and approval procedures and enhanced readiness of support for [...] developing States Parties’,⁸ with a substantial proportion set aside to meet waste pickers’ (and other grassroots groups’) ‘self-identified needs’⁹ through accessible funding modalities
3. Ensuring that this new fund is adequately resourced, in part by giving the COP the mandate to establish a mechanism for private sector contributions¹⁰
4. Making direct access and predictability a priority for the finance mechanism as a whole, with its aims, governance arrangements and reporting systems reflecting this

¹ An international legally binding instrument on plastic pollution, including in the marine environment.

² Lau, W.W.Y. *et al.* (2020) ‘Evaluating scenarios toward zero plastic pollution’, *Science*, 369(6510), pp. 1455–1461. Available at: <https://doi.org/10.1126/science.aba9475>

³ Wong, S. and Guggenheim, S. (2018) *Community-driven development: myths and realities*. World Bank, Washington, DC. Available at: <https://doi.org/10.1596/1813-9450-8435>

⁴ While this paper is focused on access, this is not grassroots groups’ only interest in the finance mechanism, with topics such as effective safeguards and observance of human rights protocols also being crucial.

⁵ Convention on Biological Diversity COP 16, Decision 16/2, Annex, paragraph 21, establishing the Cali Fund: <https://www.cbd.int/doc/decisions/cop-16/cop-16-dec-02-en.pdf>

⁶ The use of the term “Indigenous Peoples and local communities” and of the acronym “IPLC” is of concern to Indigenous Peoples and does not reflect the very specific status of Indigenous Peoples as set out in various international agreements. The draft text of the plastics treaty does not use this terminology. In this paper we have used this terminology only when quoting directly from other treaties where it has been used. For more context see the United Nations Declaration of the Rights of Indigenous Peoples: https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf

⁷ Following the precedents laid down by the CBD, BBNJ and Minamata Convention.

⁸ BBNJ Article 52 paragraph 12:

<https://www.un.org/bbnjagreement/sites/default/files/2024-08/Text%20of%20the%20Agreement%20in%20English.pdf>

⁹ Convention on Biodiversity, COP 16, Decision 16/2, Annex, paragraph 21, establishing the Cali Fund: <https://www.cbd.int/doc/decisions/cop-16/cop-16-dec-02-en.pdf>

¹⁰ Following the precedents set in the Cali Fund and BBNJ.

1. Key innovations for access under the finance mechanisms of other MEAs

Historically, finance mechanisms of international treaties have been difficult for grassroots groups and even some national governments to access, despite strong evidence that community-led approaches are highly cost-effective and impactful (Box 1). However, recent years have seen a proliferation of promising changes when it comes to access, and this is having ripple effects across the MEA landscape.¹¹ These innovations are summarised in Table 1 and detailed below.

Table 1

MEA	Fund	Approach	Details
UNFCCC	Green Climate Fund	Enhanced Direct Access (EDA)	Enables national governments, agencies and funds to establish a nationally administered funding pot that local and grassroots organisations can apply to.
UNFCCC	Adaptation Fund	Locally-Led Adaptation Funding Window	Similar to EDA. Allows national governments, agencies and funds to establish a nationally administered funding pot that local and grassroots organisations can apply to.
UNFCCC	Adaptation Fund	Global Locally-Led Adaptation Aggregator	Enables grassroots groups to access small or micro-grants from a global entity rather than relying on the establishment of a national programme.
CBD	Cali Fund	At least half of the fund is set aside for grassroots groups' 'self-identified needs' Mechanism for private sector contributions Disbursement approach yet to be fully finalised, but similar to the first two examples above	Pharmaceutical companies benefiting from genetic sequence information are to contribute based on the size of their profits or revenue. The mechanism is not mandatory but it is hoped that signatory states will set incentives to encourage businesses to comply. Funding approach will be via direct allocations to countries, with each country invited to designate or establish a national entity, such as a national biodiversity fund, to receive and distribute funds, with projects developed 'through a country-driven or community-driven process'.
CBD	Global Biodiversity Framework Fund	Proportion of spending set aside for grassroots groups	Aspirational target for 20 per cent of spending by 2030 to support actions by Indigenous Peoples and local communities.
BBNJ	New 'Special Fund'	New independent fund focused on 'simplified application and approval procedures' Mechanism for private sector contributions	One of the aims of the new fund is to 'support conservation and sustainable use programmes by Indigenous Peoples and local communities'. Partially financed through 'monetary benefit sharing of commercial gains' from marine genetic resources of areas beyond national jurisdiction.
UNFCCC	Fund for Responding to Loss and Damage	Small grant funding for communities	Specific modalities yet to be agreed, but likely to be similar to the Global Locally-Led Adaptation Aggregator or EDA.

¹¹ For example, COP 5 of the Minamata Convention recognised 'the importance of broadening the participation of Indigenous Peoples, as well as local communities, in the implementation of projects and programmes undertaken under the Minamata Convention' (MC 5/1, available at: <https://minamataconvention.org/en/documents/effects-mercury-pollution-indigenous-peoples-and-local-communities>)

These approaches reveal a clear intent to give greater access to finance to grassroots groups, which the plastics treaty should emulate.¹² The plastics treaty should also look to learn and adapt as evaluations of the real-world efficacy of these approaches take place.

Box 1: The evidence for community-led approaches

There is strong evidence regarding the efficacy of community-led approaches when it comes to delivery of public goods.¹³ In their 2018 review of community-led development approaches for the World Bank, Wong and Guggenheim argue that local communities can deliver solutions at ‘lesser cost and greater speed’ than top-down approaches, that communities ‘almost always have more knowledge about local circumstances and therefore can set priorities and produce more appropriate designs’ than others, and that they also have ‘more incentives and a greater ability to use funds efficiently’.¹⁴

This is why, in 2019, the Global Commission on Adaptation (with commissioners including Ban Ki-moon, Bill Gates and Inger Andersen) argued, ‘People and communities on the frontlines of climate change are often the most active and innovative in developing [...] solutions. Yet, too often, they lack access to the resources and power needed to implement solutions.’ The Commission called for a step change in the volume of funding available to grassroots groups.¹⁵

It is also why more than 130 international institutions, donors and aid agencies have adopted the Principles for Locally-Led Adaptation (and related approaches such as Locally-Led Climate Action, and Locally-Led Nature Restoration).¹⁶ This evidence also underpins agreements such as the ‘Grand Bargain’ on humanitarian aid, which committed signatories to support ‘local responders on the frontline’ of humanitarian crises.¹⁷

Adaptation Fund and Green Climate Fund (GCF) – Enhanced Direct Access (EDA)

Enhanced Direct Access effectively allows countries to use treaty finance to establish a funding pot that local organisations can apply to, with decisions about its allocation made at national level by a national organisation.¹⁸ The Adaptation Fund originally pioneered the EDA approach, and after the Fund’s adoption of the ‘Locally Led Adaptation (LLA) Principles’,¹⁹ its funding stream was renamed the ‘Locally-Led Adaptation Funding Window’. Funding is available to involve local actors from the very start of project design, and to ensure decision-making is devolved to the lowest possible level.²⁰ Under the Adaptation Fund, each national project can access up to US\$5 million to set up an EDA fund. The GCF has also been piloting EDA (with a total of US\$200 million available globally); an evaluation is due soon.

¹² Since these approaches are all relatively recent, it will be important to rigorously evaluate them to determine the extent to which grassroots groups have indeed been able to access them.

¹³ See the synthesis of randomised control trials in, for example, Casey, K. (2018) ‘Radical decentralization: does community-driven development work?’, *Annual Review of Economics*, 10(1), pp. 139–163. Available at: <https://doi.org/10.1146/annurev-economics-080217-053339>

¹⁴ Wong, S. and Guggenheim, S. (2018) *Community-driven development: myths and realities*. World Bank, Washington, DC. Available at: <https://doi.org/10.1596/1813-9450-8435>

¹⁵ Global Commission on Adaptation (2019) *Adapt now: a global call for leadership on climate resilience*. Washington, DC: World Resources Institute. Available at: <https://gca.org/reports/adapt-now-a-global-call-for-leadership-on-climate-resilience/>

¹⁶ See the full list of endorsers at: <https://www.iied.org/lla-alliance-join-endorsers-locally-led-adaptation-principles>

¹⁷ The Grand Bargain was signed between humanitarian donors and humanitarian aid agencies in 2016 and there are currently 70 signatories. See: <https://interagencystandingcommittee.org/grand-bargain>

¹⁸ Enhanced Direct Access (EDA) is the next step beyond ‘Direct Access’, which allows national governments to access funds directly through a Direct Access Entity (DAE) rather than through an international organisation. EDA thus allows DAEs which are already accredited by the GCF to apply for funds that are then used for on-grants (or concessional loans) at the subnational level.

¹⁹ More information on these principles is available at: <https://www.iied.org/lla-alliance-join-endorsers-locally-led-adaptation-principles>

²⁰ See, for example, paragraph 37 onwards of ‘Additional delivery modalities for expanding support to locally led adaptation’, Adaptation Fund Board, AFB/PPRC.33/39. Available at: https://www.adaptation-fund.org/wp-content/uploads/2024/04/AFB.PPRC_33_39.pdf

Adaptation Fund – Global Small Grant Facility

Officially known as the Global Locally-Led Adaptation Aggregator, this internationally managed programme will enable grassroots groups to access small or micro-grants directly from the Adaptation Fund, rather than via a national on-granting process. The advantage of this approach is that it is not dependent on national governments having the capacity or interest to set up an on-granting process such as EDA, but is available to grassroots groups from all countries. This programme is in the process of being established.²¹

Cali Fund

The Convention on Biological Diversity (CBD) has made a concerted effort over many years to improve access to the finance mechanism for grassroots groups, with varying degrees of success. Its approaches have included aspirational targets for the share of funds allocated to Indigenous Peoples, and local communities. Its latest innovation is the Cali Fund, launched at the resumed session of COP 16 in February/March 2025.²²

The Cali Fund appears destined to use a similar disbursement approach to EDA: direct allocations to countries, with each country invited to designate or establish a national entity, such as a national biodiversity fund, to receive and distribute funds, and with projects developed ‘though a country-driven or community-driven process’.²³ Where appropriate and subject to national circumstances and national legislation, ‘at least half of the funding [...] should support the self-identified needs of indigenous peoples and local communities, including women and youth within those communities’.²⁴ This agreement to designate a portion of funding for grassroots groups builds on the previous agreement for the CBD’s Global Biodiversity Framework Fund that aims for 20 per cent of spending by 2030 to support actions by Indigenous Peoples, and local communities.²⁵

The Cali Fund also has a mechanism for private sector contributions: pharmaceutical companies benefiting from genetic sequence information are to contribute based on the size of their profits or revenue. The mechanism is voluntary but it is hoped that signatory states will set incentives to encourage businesses to comply.

Box 2: The importance of a specific reference to waste pickers

The terms ‘Indigenous Peoples’ and ‘local communities’ when used in MEAs typically refer to groups located within a specific geography,²⁶ with a connection to that particular place, and as such would not generally include waste pickers. However, waste pickers are the pre-eminent sector-specific grassroots group involved in the plastics treaty, as acknowledged in the treaty mandate agreed at UNEA-5.2, and must therefore be specifically referenced when it comes to the finance mechanism, as ‘Indigenous Peoples and local communities’ are in the Convention on Biological Diversity.

Biodiversity Beyond National Jurisdiction Agreement (BBNJ)

The BBNJ, agreed in June 2023 and in the process of ratification, will establish a new independent fund focused on ‘simplified application and approval procedures’. One of its aims is to ‘support conservation and

²¹ Adaptation Fund Board, Project and Programme Review Committee, Agenda Item 13, October 2024. Available at:

https://www.adaptation-fund.org/wp-content/uploads/2024/10/AFB.PPRC_34.8-Expressions-of-Interest-to-LLA-Aggregator-2.pdf

²² See press release here: <https://www.un.org/sustainabledevelopment/blog/2025/02/press-release-cop16/> (Accessed 18/03/25)

²³ Convention on Biological Diversity COP 16, Decision 16/2, Annex, paragraph 20-21, establishing the Cali Fund:

<https://www.cbd.int/decisions/cop?m=cop-16>

²⁴ Ibid

²⁵ GBFF Overview, GEF (2025). Available at: <https://www.thegef.org/sites/default/files/documents/2025-01/GBFF%20presentation.pdf>

²⁶ See, for example, the list of definitions compiled by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), available at:

<https://www.ipbes.net/glossary-tag/indigenous-peoples-and-local-communities#:~:text=The%20term%20%E2%80%9Cindigenous%20Peoples%20and,members%20of%20distinct%20local%20communities> (Accessed 5/03/25)

sustainable use programmes by Indigenous Peoples and local communities’.²⁷ Along similar lines to the Cali Fund, it envisages that this will be partially financed through ‘monetary benefit sharing of commercial gains’ although, in this case, it applies to marine genetic resources of areas beyond national jurisdiction.²⁸ The modalities for this fund are yet to be agreed and will be taken up by the first COP.

The Fund for Responding to Loss and Damage (FRLD)

In its decision to establish the FRLD, COP 28 of the UNFCCC makes mention of ‘small grant funding for communities’.²⁹ The Governing Instrument of the new fund repeats this, and also mentions a ‘streamlined and rapid approval process with simplified criteria and procedures’, and ‘mechanisms to promote the input and participation of stakeholders, including [...] civil society organizations and the groups most vulnerable to the adverse effects of climate change, including women, youth and Indigenous Peoples, in the design, development and implementation of the activities financed by the Fund’.³⁰ This fund is in the process of being established.

Box 3: The Global Environment Facility (GEF) Trust Fund

The GEF Trust Fund is the default fund for most MEAs and its projects make a significant contribution to the protection of the global environment. Its eighth replenishment round (2022–26) has a total budget of more than \$5 billion. However, with the exception of its Small Grants Programme (SGP), it remains very difficult to access for grassroots groups (and even for some national governments).

Only the 18 GEF-accredited agencies (international organisations)³¹ can create and manage projects, and application processes are long and time-consuming.³² Several COP decisions (going back many years) have called on the GEF to, for example, ensure ‘the timely flow of funds by establishing easy and effective access modalities, including by scaling fast-track systems’,³³ but progress has been limited. Even in the more flexible GEF-hosted Global Biodiversity Framework Fund (GBFF) there are significant issues, with recent analysis of the initial tranche of GBFF projects suggesting that money can be badged as supporting actions by Indigenous Peoples, and local communities when these groups have not only had no control over the money, but also little say in how it is used.³⁴

The GEF Trust Fund also follows an ‘incremental-cost methodology’ (covering the additional cost incurred in transforming a project from being of national benefit to being of global environmental benefit³⁵) and so does not pay the full cost of the projects that it funds. This is different from funds such as the Adaptation Fund, which operates on a full-cost methodology,³⁶ and it can create challenges from an accessibility perspective.

The SGP³⁷ is the most accessible part of the GEF Trust Fund, and can be thought of as a permanent form of Enhanced Direct Access. Unfortunately, however, the SGP makes up less than three per cent

²⁷ ‘Financial resources and mechanism: BBNJ Treaty’. Available at: <https://bbnj-mgr.fas.harvard.edu/linkage-national-jurisdiction> (Accessed 6/12/24)

²⁸ See Harvard University’s coverage of the BBNJ, including: ‘Monetary benefit sharing: BBNJ Treaty’. Available at: <https://bbnj-mgr.fas.harvard.edu/monetary-benefit-sharing> (Accessed 18/03/25)

²⁹ UNFCCC COP28, Decision 1, paragraph 20 (e), available at: https://unfccc.int/sites/default/files/resource/1_CP28.pdf

³⁰ Annex 1 to UNFCCC COP 28, Decision 1/CP.28, available at: https://unfccc.int/sites/default/files/resource/1_CP28.pdf

³¹ For more on the GEF Agencies, see: <https://www.thegef.org/partners/gef-agencies>

³² Typically taking more than two years from submission of the initial project application to project approval by the GEF CEO (for a full-size project). See 66th GEF Council Meeting (2024), Agenda Item 5, ‘Streamlining the GEF Project Cycle’, available at: https://www.thegef.org/sites/default/files/documents/2024-02/EN_GEF.C.66.08.Rev_01_Streamlining_GEF_Project_Cycle_0.pdf (Accessed 14/05/25)

³³ Convention on Biodiversity, COP 15, Decision 15: <https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-15-en.pdf>

³⁴ Survival International (2025) ‘Grievous Biodiversity Failure Fund: How the new GBF Fund is failing to protect Indigenous people or to uphold the Global Biodiversity Framework’. Available at: <https://assets.survivalinternational.org/documents/2673/original-d4d866b1e12bab87697c66aa3f1f28d6.pdf>

³⁵ GEF Council Documents: Summary of Document GEF/ME/C.30/2 Evaluation of Incremental Cost Assessment

³⁶ Adaptation Fund (2022), ‘Full Cost of Adaptation Funding Reasoning and Cofinancing’ AFB/PPRC.29/41

³⁷ See: ‘THE GEF Small Grants Programme 2.0 Operational Guidelines for GEF-8, February 2024. Available at: <https://www.thegef.org/documents/gef-small-grants-programme-2-0-operational-guidelines-gef-8>

of the total value of the GEF Trust Fund, which then has to be subdivided among all areas covered by the GEF.³⁸ (At present, 15 per cent of the GEF Trust Fund is spent on the ‘chemicals and waste’ theme, mostly in support of the Stockholm and Minamata Conventions.)³⁹

2. Key lessons for enabling access in the text of the plastics treaty

Until relatively recently, the finance mechanisms of MEAs have been very hard to access for grassroots groups. However, new, more accessible funding modalities are now emerging under the UNFCCC, the CBD and BBNJ. The plastics treaty needs to pursue similar approaches. Drawing on the innovations for access explored in the previous section, there are four key lessons to consider in the plastics treaty when it comes to enabling access:

1. The need for a new independent fund

Since the GEF Trust Fund is relatively inaccessible compared with the new approaches under the UNFCCC, the CBD and BBNJ (Box 3), we argue for establishing a new, independent fund as part of the plastics treaty finance mechanism to ensure simplified procedures and more equitable and direct access to financial support. The Minamata Convention, the CBD and the BBNJ each created a new fund (alongside use of the GEF Trust Fund). The plastics treaty should follow this precedent.

2. Focusing the new fund on accessibility

This new fund should be focused on ‘ensuring efficient access to funding through simplified application and approval procedures’,⁴⁰ with a substantial proportion set aside for grassroots groups (following the precedent of the Global Biodiversity Framework Fund and Cali Fund). This funding should be designed to meet their ‘self-identified needs’,⁴¹ through modalities such as those described in the previous section (including small grants processes).

Another key aspect of the funding modality is its cost methodology. The GEF Trust Fund follows an ‘incremental-cost methodology’ (see Box 3). This is different from funds such as the Adaptation Fund, which operates on a full-cost methodology.⁴² The incremental-cost approach is likely to be problematic for some plastics-related projects, including those related to just transition. For example, the arithmetic for calculating global environmental versus national benefits is less well established for plastic pollution than it is for, say, climate change or biodiversity. It is also worth noting that the Minamata Convention requires the GEF to provide ‘agreed full costs of some enabling activities’.⁴³ The new fund should follow the same full-cost approach.

3. Ensuring that there is enough money

The new independent fund must be adequately and predictably resourced to meet the scale of need and avoid over-reliance on more complex or exclusionary financing mechanisms. In the context of declining aid flows and a growing list of competing demands, there will be a strong temptation to ramp up the use of blended finance to mobilise greater investment. However, this is typically counterproductive from an access

³⁸ See: ‘GEF-8 programming directions’. Available at:

https://www.thegef.org/sites/default/files/documents/2022-04/GEF_R.08_29_Rev.01_GEF8_Programming_Directions.pdf (Accessed 14/05/25)

³⁹ See: ‘GEF-8 Resource Allocation Table’. Available at:

https://www.thegef.org/sites/default/files/2023-01/GEF-8_PD_Annex2_Resource_Allocation.pdf (Accessed 14/05/25)

⁴⁰ BBNJ Article 52, paragraph 12. <https://www.un.org/bbnjagreement/en/bbnj-agreement/text-bbnj-agreement>

⁴¹ Convention on Biological Diversity COP 16, Decision 16/2, Annex, paragraph 20-21, establishing the Cali Fund:

<https://www.cbd.int/decisions/cop?m=cop-16>

⁴² Adaptation Fund (2022), ‘Full Cost of Adaptation Funding Reasoning and Cofinancing’ AFB/PPRC.29/41

⁴³ Minamata Convention, Article 13, paragraph 7:

<https://minamataconvention.org/en/resources/minamata-convention-mercury-text-and-annexes>

perspective, because its complexity and structure often make it harder for grassroots groups (and some least-developed countries) to access it, and it can create debt.⁴⁴

Instead, recent innovations under the Cali Fund and BBNJ set a precedent for the use of approaches that encourage or require contributions from the private sector. While these approaches are based on benefit-sharing of commercial gains from genetic information – and a plastics mechanism would by contrast be based on the polluter pays principle – they nevertheless provide a useful example for encouraging or requiring private sector contributions to a treaty finance mechanism. The plastics treaty text should ensure that the COP has the mandate to take a similar approach in the future, which would complement national-level private sector financing of extended producer responsibility (EPR). However, this language must be specific enough that it does not open the door to problematic forms of financing such as plastics credits which waste pickers have yet to meaningfully benefit from.

In addition, it may be beneficial for the plastics treaty text to be explicit in giving the COP the power to establish new funds in the future. The BBNJ includes this provision and also creates a finance committee with the power to ‘periodically report and make recommendations on the identification and mobilization of funds under the mechanism’.⁴⁵

4. Building access into the DNA of the finance mechanism

The creation of a new fund alone is not enough to ensure that finance will reach grassroots groups. Unless accessibility is mainstreamed throughout a finance mechanism’s aims, governance structure and reporting systems, there is evidence to suggest that grassroots groups tend to lose out.⁴⁶ Similarly, because of the risk of a shortfall of funds, it is vital that access considerations are not deferred until a potential new fund is established. Instead, it will be important to ensure that access for grassroots groups including waste pickers is a crosscutting concern for the finance mechanism as a whole. This means following the precedents established by the CBD, the UNFCCC and the BBNJ when it comes to text on aims, access and monitoring, as described in the Annex. Regular, ongoing assessment of the finance mechanism and any other funding flows must take place to ensure these aims are being realised and to enable corrective action. A clear and balanced accountability framework for both funders and recipients is also crucial if the finance mechanism is to function with integrity and credibility.

Conclusion

With precedents being set by other MEAs regarding accessibility, there are clear lessons for the INC to take heed of as the finance mechanism is designed. A just transition requires a well designed finance mechanism which places funds directly in the hands of those who are central to achieving the treaty’s objectives. With appropriate treaty text regarding the aims of the finance mechanism to guide it, a new independent fund would have the freedom to establish accessible and predictable finance modalities along the lines of those considered in this paper, and to set aside a portion of its funding for disbursement via these modalities to grassroots groups including waste pickers. With appropriate language that allows for future innovations in the medium term, this fund could secure contributions from the private sector ensuring it remains adequately resourced to achieve its aims. Such a mechanism would go a long way towards ensuring the just transition for waste pickers, Indigenous Peoples, and others that the treaty seeks - a goal on which so many of the INC are united.

⁴⁴ This was a point noted by several of the key informants interviewed as part of the research for this paper. Their views are reflected in the findings and recommendations.

⁴⁵ BBNJ, Article 52, paragraphs 5 and 14: <https://www.un.org/bbnjagreement/en/bbnj-agreement/text-bbnj-agreement>

⁴⁶ As reflected in interviews with key informants for this report.

Annex: Relevant text from other MEAs and COP decisions

Establishing a new independent fund

The Biodiversity Beyond National Jurisdiction Agreement (BBNJ), the Convention on Biological Diversity (CBD) and the Minamata Convention have all established new independent funds (or in the case of Minamata, a ‘programme’⁴⁷). For example, the relevant text from the BBNJ establishing the new ‘Special Fund’ is included in Box A1.

Box A1: Establishing a new fund

Biodiversity Beyond National Jurisdiction (BBNJ), Article 52, paragraphs 3 and 4

3. A mechanism for the provision of adequate, accessible, new and additional and predictable financial resources under this Agreement is hereby established. The mechanism shall assist developing States Parties in implementing this Agreement, including through funding in support of capacity-building and the transfer of marine technology, and perform other functions as set out in this article for the conservation and sustainable use of marine biological diversity.

4. The mechanism shall include:

- a. A voluntary trust fund established by the Conference of the Parties to facilitate the participation of representatives of developing States Parties, in particular least developed countries, landlocked developing countries and small island developing States, in the meetings of the bodies established under this Agreement;
- b. A special fund that shall be funded through the following sources:
 - Annual contributions in accordance with article 14, paragraph 6;
 - Payments in accordance with article 14, paragraph 7;
 - Additional contributions from Parties and private entities wishing to provide financial resources to support the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction;
- c. The Global Environment Facility trust fund.

Focusing the new fund on access

There are four precedents worth considering, set out in Box A2. These precedents could be combined to produce language in the plastics treaty text that focuses the new independent fund on providing ‘simplified application and approval procedures, including small grant funding’. A target could also be set for the share of finance received by grassroots groups, drawing on the precedent of the Cali Fund and Global Biodiversity Framework Fund (GBFF).

⁴⁷ The Specific international Programme to support Capacity Building and Technical Assistance. See: <https://minamataconvention.org/en/implementation/specific-international-programme>

Box A2: Access

Biodiversity Beyond National Jurisdiction (BBNJ,) Article 52, paragraph 12, on the aims for the new Special Fund

12. The special fund shall be aimed at ensuring efficient access to funding through simplified application and approval procedures and enhanced readiness of support for such developing States Parties.

UNFCCC COP28 decision 1, paragraph 20 (e), establishing the Fund for Responding to Loss and Damage⁴⁸

20. Decide that, as further elaborated in paragraphs 21-24 below, the continued operationalization of the Fund during the interim period will be conditional on the World Bank hosting the Fund as a financial intermediary fund in a manner that...

(e) Allows all developing countries to directly access resources from the Fund, including through subnational, national and regional entities and through small grant funding for communities, consistent with the policies and procedures to be established by the Board of the Fund and applicable safeguards and fiduciary standards;

Convention on Biological Diversity COP 16, Decision 16/2, Annex, paragraphs 20 and 21 (establishing the aims of the Cali Fund)

20. Funding to Parties will be disbursed through direct allocations to countries, as described in paragraph 19. Each recipient Party is invited to designate or establish, as appropriate, a national entity, such as a national biodiversity fund, to receive funds and distribute them in a transparent manner to support the activities described in paragraph 18. Such entities may allocate resources, in a transparent manner, on the basis of projects developed through a country-driven or community-driven process and should be accountable for ensuring that the funds are used for the self-identified purposes for which they are distributed. They should operate according to internationally accepted fiduciary standards and provide reports on the activities undertaken under the fund and on their impacts. Recipient Parties, at their own discretion, may alternatively designate an international, regional or subregional entity to fulfil those functions.

21. Where appropriate, and subject to national circumstances and national legislation, at least half of the funding of the global fund should support the self-identified needs of indigenous peoples and local communities, including women and youth within those communities, through government authorities or by direct payments through institutions identified by indigenous peoples and local communities.

GEF Council Decision February 2024: Policy on Allocation of Resources for the Global Biodiversity Framework Fund

21. Consistent with the GBFF Programming Direction, this Policy sets out targets for the GBFF portfolio...

An aspirational programming share of 20% at the portfolio level by 2030 from the total amount of resources allocated under the GBFF is to support actions by IPLCs for the conservation, restoration, sustainable use and management of biodiversity...

⁴⁸The Governing Document of the new FRLD contains even more detail, which will be a useful source of potential text if and when a new fund is created by the plastics treaty (as this is also likely to require a governing document). It is in Annex 1 to UNFCCC COP 28, Decision 1/CP.28, available at: https://unfccc.int/sites/default/files/resource/1_CP.28.pdf

Ensuring that there is enough money

Both the Cali Fund and the BBNJ contain provisions for the equitable sharing of monetary benefits arising from genetic information. For example, in the case of the Cali Fund, 'Large companies and other major entities benefiting commercially from the use of Digital Sequence Information (DSI) are expected to contribute a portion of their profits or revenues in sectors and subsectors highly dependent on the use of DSI.'⁴⁹

The relevant text from the CBD COP Decision establishing the Cali Fund, and from the BBNJ, is included in Box A3. While the plastics treaty does not deal with genetic information, the precedent for private sector contributions towards the finance mechanism is nevertheless helpful. The COP should be given a mandate to explore and make recommendations regarding how relevant commercial entities (in line with the polluter pays principle) could be encouraged and required to contribute. This could be done, for example, by following the BBNJ's lead in establishing a finance committee and requesting that it investigate this possibility. Relevant text is included in Box A3.

Box A3: Financial contributions from the commercial sector and establishing a finance committee

Convention on Biological Diversity COP 16 Decision 2, Annex, establishing the Cali Fund, paragraphs 3 and 13

3. Users of digital sequence information on genetic resources in sectors that directly or indirectly benefit from its use in their commercial activities should contribute a proportion of their profits or revenue to the global fund, according to their size. Having regard to paragraph 13, entities that, on their balance sheet dates, exceed at least two out of three of thresholds (namely, total assets: 20 million United States dollars, sales: 50 million dollars, and profit: 5 million dollars) averaged over the preceding three years should contribute to the global fund 1 per cent of their profits or 0.1 per cent of their revenue, as an indicative rate. An indicative list of sectors to which such users may belong is contained in enclosure I.

13. Parties and non-Parties are invited to take administrative, policy or legislative measures, consistent with national legislation, to incentivize users in their jurisdiction to contribute to the global fund in line with the modalities of the multilateral mechanism.

Biodiversity Beyond National Jurisdiction (BBNJ), Article 14 paragraph 5 and 7

5. Monetary benefits from the utilization of marine genetic resources and digital sequence information on marine genetic resources of areas beyond national jurisdiction, including commercialization, shall be shared fairly and equitably, through the financial mechanism established under article 52, for the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction.

7. The Conference of the Parties shall decide on the modalities for the sharing of monetary benefits from the utilization of marine genetic resources and digital sequence information on marine genetic resources of areas beyond national jurisdiction, taking into account the recommendations of the access and benefit-sharing committee established under article 15. If all efforts to reach consensus have been exhausted, a decision shall be adopted by a three-fourths majority of the Parties present and voting. The payments shall be made through the special fund established under article 52. The modalities may include the following:

- a. Milestone payments;
- b. Payments or contributions related to the commercialization of products, including payment of a percentage of the revenue from sales of products;

⁴⁹ See:

<https://www.un.org/sustainabledevelopment/blog/2025/02/press-release-cop16/#:~:text=The%20Cali%20Fund%20is%20part,Kunming%20Montreal%20Global%20Biodiversity%20Framework>

- c. A tiered fee, paid on a periodic basis, based on a diversified set of indicators measuring the aggregate level of activities by a Party;
- d. Other forms as decided by the Conference of the Parties, taking into account recommendations of the access and benefit-sharing committee.

Biodiversity Beyond National Jurisdiction (BBNJ), Article 52 paragraph 14

14. The Conference of the Parties shall establish a finance committee on financial resources. It shall be composed of members possessing appropriate qualifications and expertise, taking into account gender balance and equitable geographical distribution. The terms of reference and modalities for the operation of the committee shall be decided by the Conference of the Parties. The committee shall periodically report and make recommendations on the identification and mobilization of funds under the mechanism...

Building access into the DNA of the finance mechanism

In the section of the plastics treaty text on the aims of the finance mechanism, there needs to be a reference to support for grassroots groups. Three precedents are worth reflecting on, as set out in Box A4.

Box A4: Finance mechanism aims

Biodiversity Beyond National Jurisdiction (BBNJ), Article 52, paragraph 6

6. The special fund and the Global Environment Facility trust fund shall be utilized in order to...

(c) Support conservation and sustainable use programmes by Indigenous Peoples and local communities as holders of traditional knowledge;

Convention on Biological Diversity COP 1 Decision 2, Annex 1 Part III, paragraph 4

(The CBD deferred the decision on the aims of its finance mechanism to the first COP. The decision reached at the first COP included...)

4. The programme priorities are as follows:

... (j) Projects that strengthen the involvement of local and indigenous people in the conservation of biological diversity and sustainable use of its components;

... (m) Projects aimed at the conservation of biological diversity and sustainable use of its components which integrate social dimensions including those related to poverty.

Convention on Biological Diversity COP 16, Decision 16/2, Annex, paragraph 18 (establishing the aims of the Cali Fund)

18. Funding should support the realization of the objectives of the Convention in developing country Parties, in particular the least developed countries and small island developing States, and Parties with economies in transition, especially the conservation and sustainable use of biodiversity, including through the delivery of activities described in national biodiversity strategies and action plans; contribute to scientific research on biodiversity; benefit indigenous peoples and local communities, including women and youth within those communities...

All MEAs include similar text that places the finance mechanism under the oversight of the COP.

The BBNJ has relatively comprehensive language which includes reference to establishing a finance committee that would consider, among other things, transparency in decision-making regarding funding, as set out in Box A5. More detailed provisions regarding monitoring, transparency and reporting are taken by the COP, but the Minamata Convention also gives the COP the power to draw up an indicative list of

activities for funding. The Governing Instrument of the new Fund for Responding to Loss and Damage will also be a useful source of potential text when the plastics treaty COP turns to this issue.

Box A5: Governance, transparency and monitoring

Biodiversity Beyond National Jurisdiction (BBNJ), Article 52, paragraphs 9 and 14

9. For the purposes of this Agreement, the mechanism shall function under the authority, where appropriate, and guidance of the Conference of the Parties and shall be accountable thereto. The Conference of the Parties shall provide guidance on overall strategies, policies, programme priorities and eligibility for access to and utilization of financial resources.

14. The Conference of the Parties shall establish a finance committee on financial resources. It shall be composed of members possessing appropriate qualifications and expertise, taking into account gender balance and equitable geographical distribution. The terms of reference and modalities for the operation of the committee shall be decided by the Conference of the Parties. The committee shall periodically report and make recommendations on the identification and mobilization of funds under the mechanism. It shall also collect information and report on funding under other mechanisms and instruments contributing directly or indirectly to the achievement of the objectives of this Agreement. In addition to the considerations provided in this article, the committee shall consider, inter alia:

- a.** The assessment of the needs of the Parties, in particular developing States Parties;
- b.** The availability and timely disbursement of funds;
- c.** The transparency of decision-making and management processes concerning fundraising and allocations;
- d.** The accountability of the recipient developing States Parties with respect to the agreed use of funds.

Acronyms and abbreviations

BBNJ	Biodiversity Beyond National Jurisdiction Agreement
CBD	Convention on Biological Diversity
COP	Conference of the Parties
EDA	Enhanced Direct Access
EPR	Extended Producer Responsibility
FRLD	Fund for Responding to Loss and Damage
GBFF	Global Biodiversity Framework Fund
GCF	Green Climate Fund
GEF	Global Environment Facility
INC	Intergovernmental Negotiating Committee
IPLC	Indigenous Peoples and Local Communities (see footnote 6)
MEA	Multilateral Environmental Agreements
UNEA	United Nations Environment Assembly
UNFCCC	United Nations Framework Convention on Climate Change

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Contact information: lucy.tanner@tearfund.org, advocacy@globalrec.org and mari.williams@tearfund.org

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