**Business recommendations for an ambitious UN instrument to end plastic pollution**

The International Chamber of Commerce (ICC) – as the institutional representative of more than 45 million companies in over 170 countries – applauded the landmark decision at the resumed fifth session of the UN Environment Assembly (UNEA5.2) to develop an international legally binding instrument (ILBI) to end plastic pollution. ICC fully commends the Executive Director of UNEP, the Executive Secretary of the Intergovernmental Negotiating Committee (INC) and Member States for their determination and willingness to address this pressing environmental challenge.

ICC and its members participated in the Ad hoc open‑ended working group in Dakar earlier this year and also engaged in the first INC session to develop an international legally binding instrument on plastic pollution, including in the marine environment in November 2022 and its multistakeholder dialogue where we provided business insights on the key issues identified for discussion.

ICC welcomes the efforts by the INC Secretariat to involve all stakeholders and particularly the business community, in all its diversity, in the process. The INC Secretariat’s call for submissions from stakeholders and Member States to inform INC2, is a critical step in setting the stage for an open, transparent and inclusive process.

In response to the call for submissions and as the INC will consider at its second session to be held in Paris in May 2023, potential options for elements towards an international legally binding instrument, based on a comprehensive approach that addresses the full life cycle of plastics as called for by UNEA resolution 5/14, including identifying the objective, substantive provisions including core obligations, control measures, and voluntary approaches, implementation measures, and means of implementation, ICC offers the following reflections and recommendations for consideration. In preparing this submission, ICC has considered perspectives from member companies and experts from sectors across the plastics value chain, as well as representation from different jurisdictions.

ICC remains deeply committed to support the INC Secretariat’s and Members States’ efforts and forthcoming work to secure an ambitious, effective and workable agreement by 2024 – that rallies all actors of governments and society in the collective charge of addressing plastic pollution - including setting the frame and direction for accelerated business action.

**What business needs from the ILBI on Plastic Pollution**

The business community has an essential role to play as a key stakeholder in the negotiation of a ILBI on Plastic Pollution and will be an integral partner in the implementation of its objectives. ICC members reaffirm their commitment to inform the deliberations and to contribute extensive experience and expertise, as well as provide constructive recommendations and feasible solutions to the process.

1. **Substantive Elements**
2. **Objectives/Scope**

To enable and encourage businesses to fully play their role, the ILBI on plastics pollution should:

**Clearly identify and define an overarching goal, shared objectives and the scope of the ILBI** which will be essential in charting the direction for collective action and ambition and providing an overarching frame and alignment for future work. The overarching goal should be in line with the UNEA 5/14 resolution to end plastic pollution and should reflect the need for urgent action. Consideration should be given to include a realistic overarching target to end plastic pollution by a certain date.

With respect to the core objectives, ICC believes that the ILBI should:

* include ambitious and clear objectives and targets that address the full life cycle of plastics – upstream (design and production), midstream (consumption) and downstream (waste management and recycling);
* protect the environment and human health from the effects of plastic pollution, and ultimately seek to end plastic pollution, including in the marine environment;
* address the sustainable production, consumption and use of plastic, as well as ensure environmentally-sound management of plastic waste, circular economy approaches, just transition; as well as
* contribute to sustainable economic development and the achievement of the UN Sustainable Development Goals across all countries

Regarding the scope for the instrument, ICC reiterates the need to focus on a comprehensive and progressive approach that addresses the full life cycle of plastics, including production processes, design options, the use of harmful

chemicals, additives and polymers, whilst also taking into account national circumstances, challenges, capacities, capabilities and feasibility in different economic sectors. In tandem, it would be imperative for the ILBI to provide clear definitions and clarity on key terms and concepts, as well as the types of plastics and harmful substances that will be addressed by the instrument in an effort to tackle the sources/drivers plastic pollution.

* **Provide a global, common vision and harmonised standards, definitions and rules** that strengthen global coordination and align stakeholders behind a common understanding and a shared approach to end plastic pollution and help drive the transition to a circular economy for plastic. All targets should build on existing globally harmonised standards and definitions, with interim targets for the short and medium term differentiated from longer term targets. Some countries have already taken bold legislative steps to address plastic pollution at the national level and businesses are also taking action to address the plastic pollution crisis. However, the lack of a common approach and harmonised standards could hamper efforts for increased cooperation, collaboration and unified action. It is therefore imperative that the treaty is grounded on internationally established standards and definitions to foster greater harmonisation, enhance circularity and environmentally sound management of waste. These could include, for example, considerations regarding product design for circularity and labelling. Existing work, definitions and international standards can provide a useful base and reference for consideration in this respect.

**Be underpinned and informed by science and effectively harness scientific knowledge and technological innovation to inform ongoing work, including the goal, objectives and actions** across the plastics value chain. Existing scientific literature and recent reports provide useful data and information on the alarming impacts of plastic pollution on the environment, human and animal health. However, an increased understanding of the multifaceted and complex reality of plastic pollution, through reliable and adequate data, scientific and socioeconomic assessments, sound forecasting and measurement metrics as well as the role and impact of technologies and innovative solutions, will be critical to achieve the ultimate goal of the treaty, inform targets and guide actions over time. Lifecycle assessments should be used to inform policy makers and to reduce the risk of any implementation, or use, of plastic substitutions causing inadvertent negative consequences for the intended use or impact. Considering global supply and value chains, trade in plastics, aligning design approaches and the regulation of chemicals will be key to improving the circularity of plastics. Consideration of national circumstances and capabilities is critical to a successful agreement.

ICC recommends that the establishment of an UN scientific group that reflects necessary expertise from natural, social and economic sciences, including engineering could be explored in this regard.

* **Include principles and practices of circularity at the core of the instrument to support a global transition to a circular economy** that creates coherent, enabling policy frameworks and conditions to incentivise and support business action, and facilitate an effective circular economy that works in practice and at scale. These policy frameworks also need to address the full life cycle of plastics, including upstream, midstream and downstream measures, and create the necessary enabling conditions to support the economy to progressively move away from single-use plastic and plastics that cannot be recycled to reuse and recycling of plastic. The LBI should keep plastics in the economy and out of the environment, and essentially focus on addressing overall plastic pollution, including land-based and marine environments. It should support the necessary shift in the design, use and reuse of plastics, and provide a framework to support actions to help close the loop of plastics in the economy to ensure that products and materials are designed for circularity and are circulated in practice. It would be equally important to include downstream measures to address plastic waste, end-of life management including collection, sorting and recycling, in an effort to ensure waste minimisation and remediation, as well as actions related to managing plastics that cannot be reused or recycled in an environmentally sound manner.

For that purpose, it will be critical to understand how trade and trade policies can effectively support a circular economy transition and contribute to efforts to tackle plastic pollution. Policies to address plastic pollution should be developed taking into account potential interactions and integration with trade, climate, biodiversity or other relevant policy objectives and instruments for better coordination and alignment. In this context, we encourage governments to consult the findings of an ICC study – “[The Circular Economy and International Trade: Options for the World Trade Organization](https://iccwbo.org/publication/the-circular-economy-and-international-trade-options-for-the-world-trade-organization/)” on how smartly designed trade policies and rules can support a transition to a circular and resource-efficient economy. Consolidated thinking between trade and environmental policymaking will be essential if we are to deliver on the shared goal of ending plastic pollution.

A successful transition to a circular economy will require (i) a high-level of cooperation and engagement by all stakeholders and (ii) the enhancement of coherent, consistent and comprehensive solutions that take into account the interaction of different policy instruments and approaches to achieve environmental and climate policy objectives.

1. **Core obligations/control measures**

* **Balance legally binding and voluntary elements for effective implementation.** In the immediate term, a mix of complementary measures is required, that will be comprised of mandatory and voluntary elements, together with a step-by-step approach to facilitate workable solutions that can be applied broadly, as well as encourage better standards and greater business participation. It would be useful to consider the distinction between different applications and sectors throughout the life cycle, as well as different stages of progress in less developed countries, with a view to providing voluntary elements for new and ongoing recycling processes for materials and flexible mechanisms for achieving the targets. The inclusion of procedures to adapt these elements over time should be explored to help strengthen objectives and targets.
* **Focus on national action plans for the prevention and elimination of plastic pollution as a key pillar of the ILBI**, taking into account county-specific circumstances and needs. An ambitious and implementable legally binding agreement with a clear overarching objective, and a common framework for national action plans, will be key to help countries translate the provisions into clear national targets and action plans that aggregate delivery on the treaty’s objective. It would be useful to provide direction and clarity on how business contributions will be taken into account in national efforts towards the achievement of the treaty’s goals and targets.

Particular considerations should be given to key success factors from global agreements that catalysed joint action. In this respect, governments could draw key learnings from the Montreal Protocol on Substances That Deplete the Ozone Layer, for example, how the Montreal Protocol provides for technical panels involving business, to provide expert guidance across the entire life cycle of plastic pollution. Existing experiences and best practices as well as other internal and national efforts and reference systems could also be of benefit. Experience has also shown that business in-country engagement in the development and implementation of the climate targets is critical in order for governments to further advance the ambition of their national contributions.

While nationally driven approaches should be at the core of the ILBI, **the treaty should contain legally binding international obligations** that are underpinned by latest science and support the achievement of the overarching goal and objectives of the instrument. Continued consultations with governments, business and all stakeholders on possible options for legally binding obligations will be key in this regard. Existing practices could be considered, such as, for example, Extended Producer Responsibility (EPR) schemes. EPR systems, if developed and implemented effectively, can be a useful policy tool to improve the efficiency of existing systems. In order to be successful, EPR schemes should have an appropriate structure that integrates the role of and impact on businesses and should also include several stakeholders, including local municipalities, consumers, citizens and households. A harmonised approach across EPR schemes applied across geographies can facilitate the creation of markets for circular and sustainable products and can avoid undue administrative burden and barriers for companies.

* **Support, leverage and upscale existing and new voluntary initiatives and commitments**. A global agreement on plastic pollution would complement and enhance existing initiatives and encourage additional voluntary efforts. While it is recognised that voluntary action is critical to build momentum, with forerunners raising the levels of ambition and pioneering rapid responses to the challenge – it will not be enough to achieve the systemic change needed to tackle the plastic pollution crisis. For that reason, it is important that an ambitious, effective and implementable treaty is realized.
* **The ILBI should also promote increased transparency and disclosure** against agreed universally accepted frameworks and standards through clear and balanced reporting requirements that reflect business realities.

1. **Implementation Elements**
2. **Financing, institutional arrangements, assessment of progress of implementation**

* **Ensure effective means of implementation – with regards to financial resources, technology development and transfer, capacity‐building.** Funding and technical assistance, including financial mechanisms, will be integral to support implementation of the instrument and development and deployment of technological solutions. Reflections on financial mechanisms and their implementation should draw from existing systems, and should take into account local contexts and circumstances, as there may not be a one-size-fits all financial instrument applicable to all countries. It will also be key to adopt policies and incentives that enable and encourage additional private sector investments, and to create the right conditions for business to invest and innovate, including in developing countries. It will be critical to strengthen global partnerships between the public and private sector to mobilise implementation needs to (i) address the social, economic and environmental dimensions of a transition to a circular, economy for plastics; (ii) reinforce coherence in implementation, leveraging resources across diverse funding mechanisms; and identifying new and innovative funding sources (iii) strengthen governance and accountability, including for financing, technology innovation and diffusion, and capacity building for people and institutions (iv) enable universal access to collection services and environmentally sound disposal and management practices.
* **Align public and private financial flows to incentivise market behaviour and investments in circular and sustainable products.** There is significant potential to build on existing efforts and utilise public policy levers to leverage the right market-based instruments—at national and global levels.Clear policies and international consistency will be critical to enable business to drive investments in innovation and technological solutions. With respect to proposals for specific new funding mechanisms, building and leveraging existing mechanisms to the extent possible, including the Global Environment Facility (GEF) and Green Climate Fund (GCF) should be explored. Key learnings for past experiences under the GEF and GCF should also be considered.
* **Support investment in scalable technologies and solutions across the plastics economy**. Currently many of the technologies capable of addressing plastic pollution are still at a relatively early stage of development and require financial support to develop and to be deployed at scale. It is integral to support these innovative new technologies to help drive action at all levels across the value chain towards a plastic pollution free economy. MSMEs, in particular in emerging and developing economies will be the lynchpin in any economy-wide transition to a circular economy for plastics and can play a crucial role in driving the innovation needed to tackle the plastic pollution crisis. Effective government policies that genuinely incentivize MSMEs to invest in innovation and technologies will be critical.
* **Establish clear governance and accountability instruments for monitoring, reporting and verification (MRV)** of international efforts and national action approaches, to ensure transparency and robustness of the treaty. Leveraging existing and additional scientific research to inform and strengthen obligations and targets over time will be important.
* **Establish capacity building mechanisms**, including education and awareness raising, in particular for developing and emerging economies with (i) funding to build waste collection and management capabilities in key markets and countries located on the coastline; (ii) support for technology, government and consumer knowledge transfers; and (iii) an innovation fund to scale viable initiatives. It would also be critical to remove barriers on access to finance and encourage the development of specific and targeted mechanisms that ensure a stable and predictable funding in support of less developed countries in their journey towards a circular economy

1. **Additional input**

**Stakeholder engagement**

* **Align all stakeholders**, including business, government and civil society **on a common understanding of, and approaches to, address plastic pollution**. Particular consideration should be given to small and medium sized companies, given their limited capacities and resources. It will be equally important to recognise the existence of diverse national and regional realities and challenges, including across developing and least developed countries. Similarly, the needs of vulnerable communities and low-income households as well as the key role of the informal sector with respect to collection and recycling of plastics, should be taken into account. In working to achieve a plastic pollution free economy, it will be necessary to engage all stakeholders to set a sustainable path that leaves no one behind.

ICC reaffirms the value and importance of stakeholder engagement in the process to develop the international legally binding instrument, as well as the crucial role of all stakeholders, and in particular business and industry, for the implementation of the instrument, and supports the need for urgent and ambitious global action to address rapidly increasing levels of plastic pollution globally.

* **Recognise the critical role of the private sector in achieving the goal and objectives of the ILBI**, in providing on-the-ground knowledge, experience and expertise, and solutions. The business community is a key player in providing the solutions that will be needed to address the challenge of plastic pollution at the required scale and speed.

Business engagement, in all its diversity, is indispensable to achieving a circular economy for plastics. Business is not only a central agent of innovation and technological development but also a key engine of sustainable economic growth, employment and just transition, and a source of finance, technical expertise and real-world insights.

In this context, we very much welcomed the call for stakeholders to provide written submissions in view of the INC consideration of potential options for elements towards an international legally binding instrument at its second session, which provides the opportunity to contribute substantive input to the process, as well as the possibility to engage in the multi- stakeholder sessions held in Dakar and Punta del Este, which provided a unique and invaluable opportunity to give impulse to the multilateral exchange and collaboration required for the process. We also acknowledge the explicit and reiterated calls from Member States during INC1 for the need for more formal business engagement in the process.

* **Build on existing channels for stakeholder and business engagement and contributions and explore additional and strengthened modalities for their involvement.** ICC recommends that in developing the ILBI, the INC Secretariat and Member States should continue to provide all stakeholders with the opportunity to engage in the process through existing and new channels for engagement. Outcomes from the past and future multi-stakeholder sessions should inform the negotiation process.

Whilst we welcome the areas identified for contributions from stakeholders, including from the private sector, we recommend exploring how the INC process can reflect and include private sector expertise formally and substantively to strengthen the envisioned outcomes of the process. Existing platforms and initiatives under different UN bodies and international organisations can provide helpful examples for strong business and multistakeholder involvement. For example, the Marrakech Partnership for Global Climate Action under the UN Framework Convention on Climate Change supports the implementation of the Paris Agreement through strengthened collaboration between governments and key stakeholders. In the past year the Marrakech Partnership has seen an unprecedented growth of non-Party stakeholders taking ambitious action, as evidenced most recently through the significant increase and deepening of commitments and actions recorded on the Global Climate Action portal, including through the Race to Zero, Race to Resilience and the Glasgow Finance Alliance for Net Zero.

ICC and the global business community – including small and medium sized companies - remain committed to supporting governments in the development of an ambitious and effective ILBI by 2024 and to contributing to the process by providing insights and key learnings from innovative business models and exploring potential solutions for systems change across the plastics life cycle to help accelerate collective action to deliver at scale and ramp up ambition and action to transition to a circular economy for plastics.