

Agenda item 6b

Summary of Working Document UNEP/AHEG/2019/3/3

Identification of financial resources and mechanisms for supporting countries in addressing marine plastic litter and microplastics

Third meeting of the ad hoc open-ended expert group on marine litter and microplastics
18-22 November 2019 – Bangkok, Thailand

Pursuant to UNEA resolution 4/6*

Subparagraph 7(b):

*“Identify technical and **financial resources or mechanisms** for supporting countries in addressing marine plastic litter and microplastics;”*

*(UNEP/EA.4/Res.6)

Three initial studies in response to 7(b)

**1) Opportunities and challenges at the national level:
a Kenya case study**

Presented by Thierry de Oliveira, UNEP

**2) An online inventory of financial resources for
addressing marine plastic litter and microplastics.**

Presented by Anton Root, Allied Crowds

**3) Exploring engagement of non-traditional
stakeholders: risk management, insurance and
plastic pollution**

Study under way – will be presented at AHEG-4

Study 1:

Opportunities and challenges at national level: a Kenya case study

Purpose and objectives of the Kenyan study

- Understand both land and ocean-based sources and pathways of marine debris (including plastics and microplastics) to support the development of regulatory and market-based instruments in order to combat marine pollution;
- Highlight **costs**, **lost revenues** and opportunities via use of **innovative financing** schemes and instruments as part of a circular economy

Approach and scope of the Kenyan study

Focus: Sub-national Coastal Kenya

- Primary data sources: study specific surveys and questionnaires;
- Secondary sources: desk studies on sectoral and government inputs
- Modelling: costs and opportunities

Outcomes: generic guidelines and methodology
assessment of data gaps
Kenyan specific options

Highlights from the study in Kenya (2019)

- USD 12 million per year in costs and losses for Kenya's coastal regions;
- USD 160 million per year of estimated cashflow potential to address marine plastic pollution;
- Lack of data, cross-sectoral cooperation and coordination between various national entities;
- Need for better engagement with the private sector as well as education and awareness-raising;
- Real potential with regard to the implementation of the progressive legislative **Sustainable Waste Management Bill**

Highlights from the national study in Kenya (cont'd)

- Opportunities behind the implementation and roll-out of market-based and economic instruments as well as innovative financing and incentive schemes such as:
 - reuse and recycling initiatives;
 - plastic deposit schemes;
 - purchase of plastic imports/manufacturing credits;
 - plastics for large-scale infrastructure construction and energy etc.

Generic conclusions

- Policies and regulations and targeted tools and instruments are more effective when linked to an understanding of pathways and sources of marine pollution;
- This can also help to direct resource allocations in an overall effort to reduce marine plastics;
- Progressive institutional and regulatory frameworks are more effective when supported by economic and market-based instruments at key points across the circular economy;

Generic conclusions

- Globally, socio-economic costs are estimated to range between USD13 - 8.1 billion/year;
- This is an under-estimate due to hidden costs such as loss of cultural and aesthetic value and clean-up costs;

Recommendations and opportunities for innovative financing (1/2)

- Clearly identify pathways, point sources and value chains in order to determine investment requirements and scales;
- Introduce more favorable legal and regulatory frameworks; structure projects and investment schemes with clear environmental outcomes and economic viability;
- Identify the lowest hanging fruit by addressing leakages of plastics;
- Data on prior similar projects/initiatives for benchmarking;

Recommendations and opportunities for innovative financing (2/2)

- De-risking especially when investing at scale and understand early-stage investment needs as well as risk-adjusted returns;
- Understanding funding structures (including equity, philanthropic and concessionary);
- Sources of financing (development finance institutions, private equity funds, hedge and mutual funds, social impact funds etc.)

Study 2:

Online inventory of financial resources for addressing marine plastic litter and microplastics

Inventory of financial resources

Estimating Public and Private Flows:

- Establishing **trends** / **gaps** in market
- Identifying and making more **transparent** who are the active funders
- Creating a **benchmark** for further progress
- Begin to **harmonize** reporting

Methodology: private funding data collection

- **Creating a database of funders by country**
 - Identifying funders from public sources
 - 11 types of funders (inc. venture capital, corporates, impact investors, etc.)
 - Focus on emerging markets
 - Database currently does not include all funders
 - 301 funders
- **Artificial Intelligence**
 - Keyword analysis to find meaningful trends
 - Classifying funders by sector and geography
- **Annual activity by type**

Methodology: public funding data collection

- **Difficult to extract from larger sectoral spending**
- **Used funding the ocean: funding map**
 - Focus on development aid as well as large foundations
 - Backward-looking (does not include large new commitments)
 - Estimated current number based on figures from 2015-17
 - Added large commitments (e.g., USD 200m from Alliance to End Plastic Waste)

Preliminary results

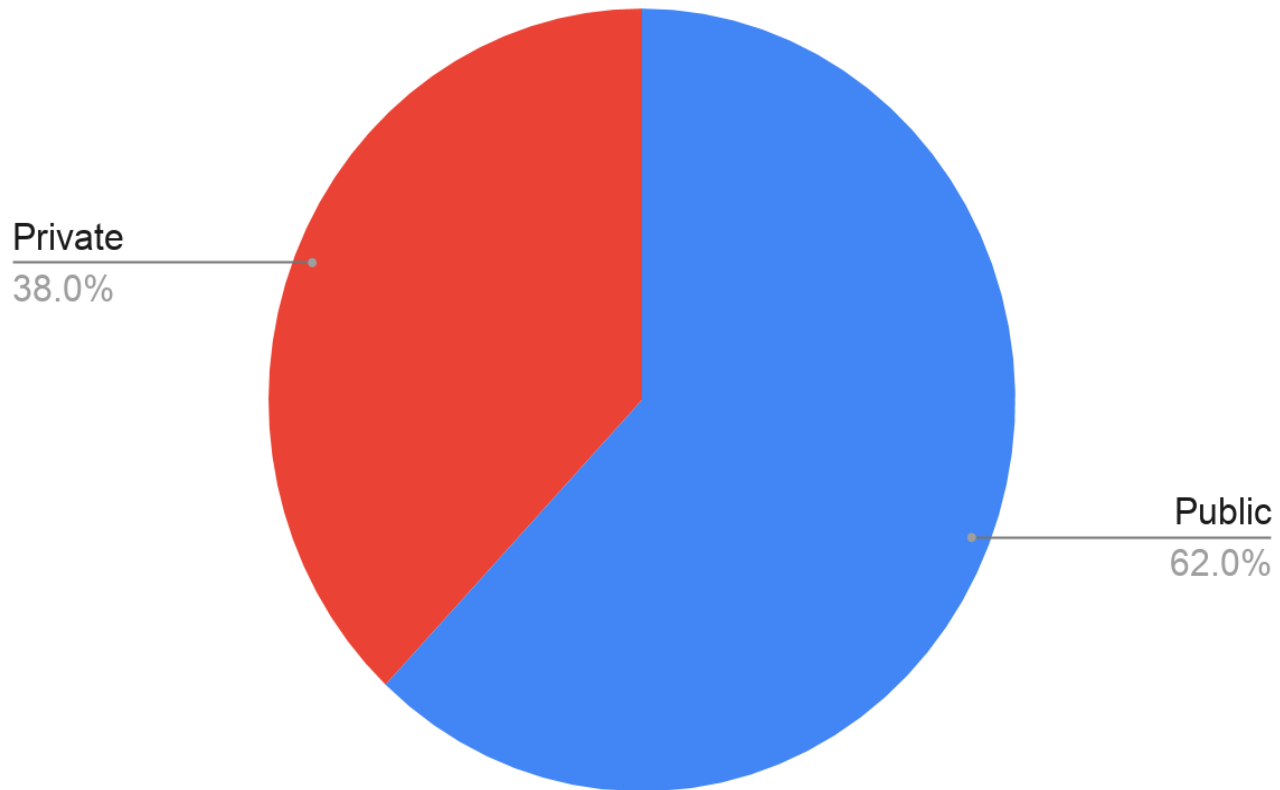
USD \$1.3b est.

Total funding estimate for marine litter prevention
and cleanup in 2018

Preliminary results – private v. public funding

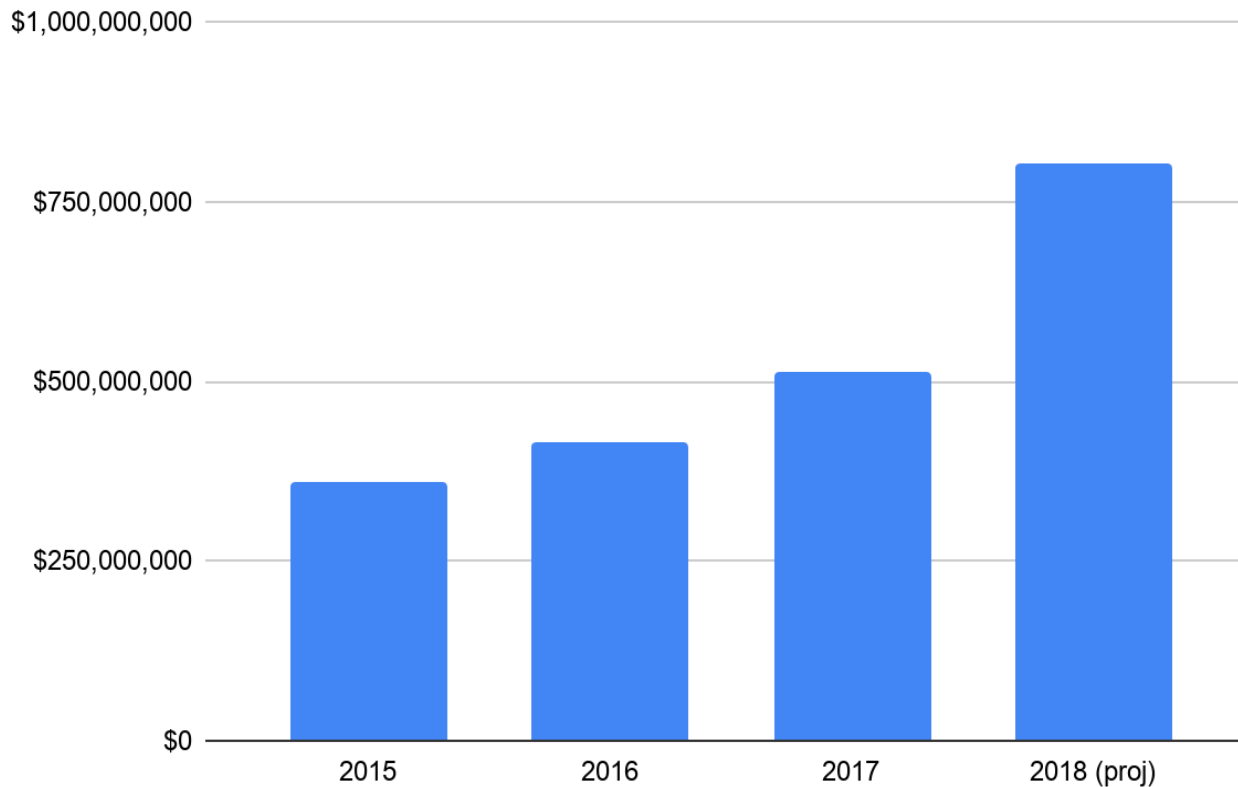
Private: USD \$490m

Public: USD \$800m

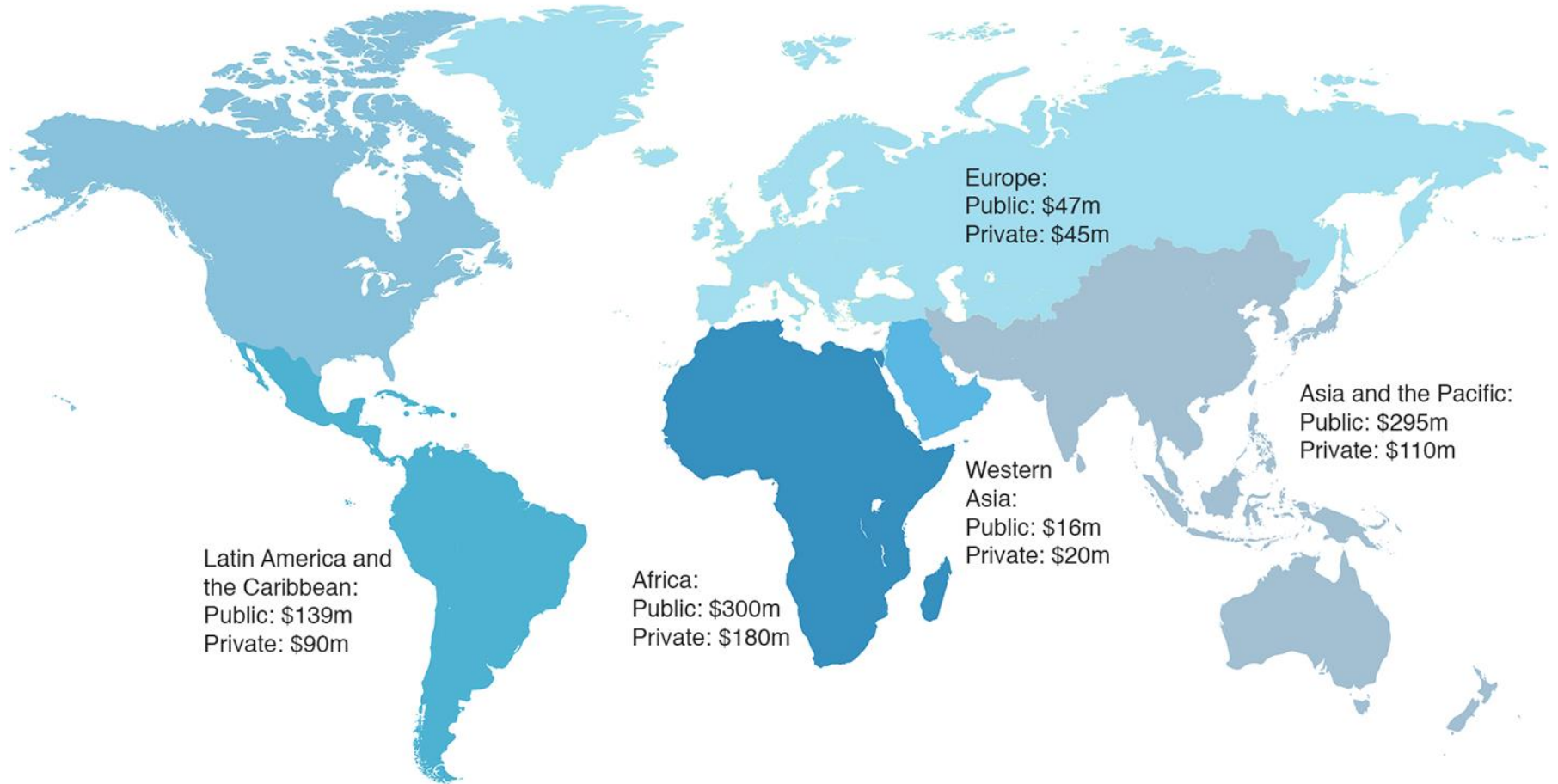


Preliminary results – public funding growth

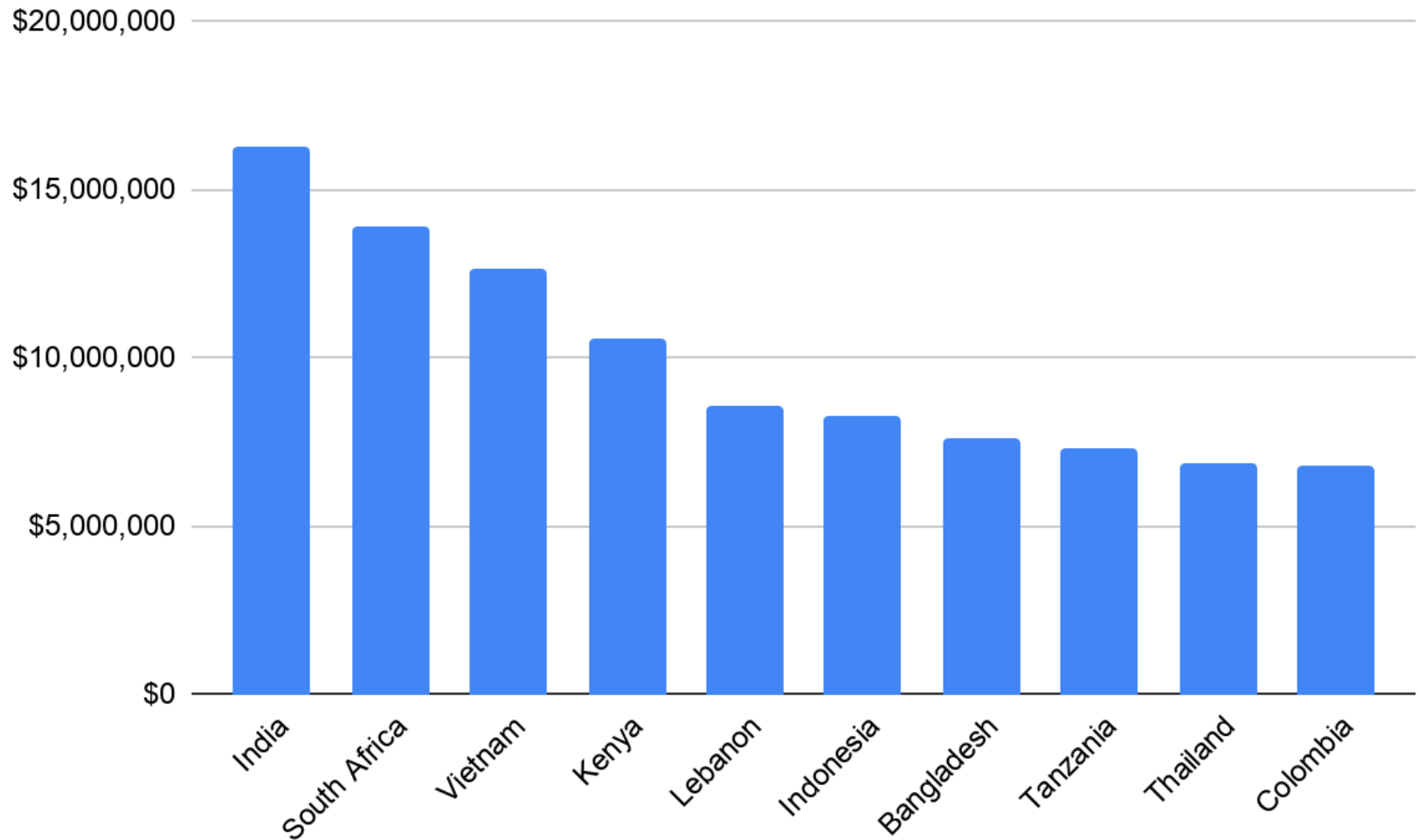
\$360 million in 2015 to \$800 million in 2018



Preliminary results – regional breakdown



Preliminary results: top private funding recipients



Next steps – further research

- Establish harmonization across stakeholders for public data
- Incorporate funders from missing countries for private data
- Single country case study to validate results
- Role UNEP can play in channeling direct funding
- Connect entrepreneurs to funders

Questions for the breakout groups

- i. What are the requirements (including fund design and enabling conditions) for an effective and efficient funding mechanism to addressing marine plastic litter issues?
- ii. What are the opportunities of using market-based instruments?
- iii. What are priority actions to be taken to address the key barriers hindering access and efficient use of financial resources specifically in developing and least developed countries?
- iv. How can access to financial resources at national and regional level be better tailored to respond to country needs?

Thank you

Thierry de Oliveira
Science Division, UNEP

Anton Root
Allied Crowds

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