

UN GLOBAL PLASTICS TREATY: WHAT TO EXPECT FROM INC-5 IN BUSAN?



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As the 2-year intergovernmental negotiation process for the United Nations (UN) Global Plastics Treaty nears its conclusion, with the fifth session of the Intergovernmental Negotiating Committee to develop an international legally binding instrument on plastic pollution, including in the marine environment (INC-5), set for South Korea this winter, it is crucial to advocate for an ambitious, legally binding treaty and for investors to vocalize the importance of tackling the global plastics crisis given the serious systemic risks posed to economies, the environment, and biodiversity.

The alarming state of plastics pollution and the systemic risks it poses

With over 460 million metric tons of plastic being produced annually and a significant portion ending up in the environment¹, plastic pollution is one of the most pressing environmental issues today. Annually, 19-23 million tonnes of plastic waste leak into aquatic ecosystems,

¹ [plastic-pollution-issues-brief-may-2024-update.pdf \(iucn.org\)](https://www.iucn.org/plastic-pollution-issues-brief-may-2024-update.pdf)



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affecting lakes, rivers, the ocean, and seas². This pollution significantly impacts marine biodiversity, ecosystems, and human health. Single-use plastics (from food packaging to cigarette butts and cosmetics³), which account for 40% of production, can persist in the environment for centuries. They are estimated to affect around 700 species, either through toxic or mechanical effects, marine animals massively ingesting or becoming entangled in plastic waste⁴. But they also cause harm to humans⁵, through the toxic chemicals they contain or microplastics found everywhere, from Mount Everest to drinking water. Finally, growing plastics consumption⁶ should be considered a concrete driver of climate change, as it exacerbates petrochemicals demand and causes air pollution through waste incineration⁷.

The UN Global Treaty on Plastic Pollution: a global response effort

To address this crisis, the UN Environment Assembly passed Resolution 5/14⁸ in March 2022, initiating the development of an international legally binding instrument to tackle plastic pollution. This two-year negotiation process aims to cover the full plastics lifecycle⁹, from production to disposal.

A global approach is the best path considering the limitations of fragmented measures and voluntary corporate initiatives. In recent interviews run by Professor Robert G. Eccles¹⁰, some leading chief executive officers explained that no appropriate resolution could be found in purely individual initiatives, whether public or private, nor would it be desirable. While discontinued local regulations would only complexify the implementation of relevant measures within global supply chains, the sum of voluntary corporate initiatives, which do not develop on a level playing field, seem to find natural limits in the context of competitiveness. Hence, a cohesive treaty is needed.

Business Coalition for a Global Plastics Treaty: an ambitious vision

Launched in September 2022, the [Business Coalition for a Global Plastics Treaty](#) includes over 200 companies, financial institutions, NGOs, and academics advocating for a robust treaty. BNP Paribas Asset Management joined the coalition as an early supporter¹¹ and defends the adoption of an ambitious international legally binding instrument. The Business Coalition aims to build confidence in the business industry toward the benefits of an ambitious treaty, including through global standards applying to product design, avoidable plastic products or chemicals of concern, to advance the negotiations.

Without “radical action”, the Organisation for Economic Co-operation and Development (OECD) states¹², “the amount of plastic waste produced globally is on track to almost triple by 2060, with around half ending up in landfill and less than a fifth recycled”.

2 [Plastic Pollution \(unep.org\)](#)

3 [Microplastics: The long legacy left behind by plastic pollution \(unep.org\)](#)

4 [The World's Plastic Pollution Crisis Explained \(nationalgeographic.org\)](#)

5 [Microplastics with Macro Effects on the Human Body – Berkeley Scientific Journal](#)

6 [3. Plastics use projections to 2060 | Global Plastics Outlook : Policy Scenarios to 2060 | OECD iLibrary \(oecd-ilibrary.org\)](#)

7 [This is how plastic pollution causes climate change | World Economic Forum \(weforum.org\)](#)

8 [UNITED \(unep.org\)](#)

9 [Intergovernmental Negotiating Committee on Plastic Pollution | UNEP - UN Environment Programme](#)

10 [Global Plastics Treaty: Leading CEOs Call For Mandatory Rules \(forbes.com\)](#)

11 [wwf_pctsee_report_english.pdf \(panda.org\)](#)

12 [Global plastic waste set to almost triple by 2060, says OECD | OECD](#)

In this context, the coalition's vision establishes three priorities¹³:



Reduction

Reducing the use and production of virgin plastics and eliminating its problematic applications for health (at-risk chemicals and pollutants) and the environment (e.g., low circularity products).



Circularity

Enforcing mandatory recycling-friendly designs and implementing Extended Producer Responsibility (EPR) policies to establish concrete accountability mechanisms.



Prevention and Remediation

Public-private mobilization to address hard-to-abate plastics and existing pollution through robust waste management practices, facilitated by monitoring systems and mandatory corporate data disclosure.

The importance of an ambitious treaty and accessible plastic data to investors

Plastic-dependent companies face increasing regulatory scrutiny and potential financial liabilities. The Minderoo Foundation estimates US cleanup costs and legal liabilities related to plastic pollution could reach up to \$100 billion¹⁴. In Japan, the WWF estimates the minimum lifetime cost of plastic pollution from 2019 production alone at \$108.69 billion¹⁵. They further demonstrate how an effective UN treaty could support the country's efforts to implement an EPR scheme "shifting some of the burden from municipalities to companies" and reduce pollution impacts on tourism.

Conversely, there are investment opportunities¹⁶ in sustainable alternatives and waste management solutions, with recycled plastics requiring up to US\$50 billion in investments by 2030¹⁷ and a new plastics economy creating 700,000 jobs by 2040¹⁸. Companies that develop biodegradable materials, improve recycling technologies, or provide alternatives to single-use plastics are likely to benefit from growing market demand and supportive regulatory frameworks.

Quality plastic data is crucial for investors to manage risks in corporate supply chains and investment portfolios and capitalize on these opportunities. Ahead of INC-3 in November 2023, BNP Paribas Asset Management and 48 other financial institutions have called Member States for mandatory corporate disclosure of plastic data as part of the treaty to facilitate this process.

¹³ [Vision Statement | Business Coalition for a Global Plastics Treaty \(businessforplasticstreaty.org\)](#)

¹⁴ [The-Price-of-Plastic-Pollution.pdf \(squarespace.com\)](#) - NB. For cases triggered in the 2022-2030 period.

¹⁵ [wwf_pctsee_report_english.pdf \(panda.org\)](#)

¹⁶ [BNPP AM, Redesigning our relationship with plastic, https://docfinder.bnpparibas-am.com/api/files/f384d154-619a-4239-b2e8-c6bfd99203c1](#)

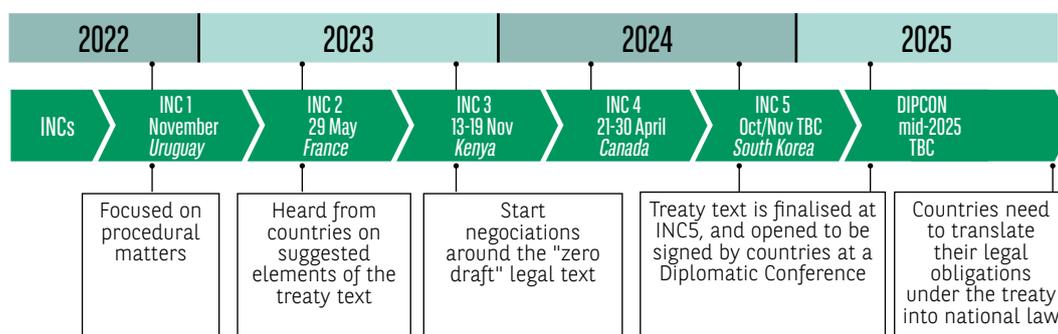
¹⁷ [Scaling investments in plastics circularity | McKinsey](#)

¹⁸ [Plastics 101 | United Nations Development Programme \(undp.org\)](#)

Current status and expectations for INC-5

The negotiations began in late 2022, with sessions in Uruguay, France, and Kenya, culminating in a "Zero Draft" for a Global Plastics Treaty (UNEP/PP/INC.3/4). Ottawa's session in April 2023 focused on the treaty's scope and mandate. Despite some contrary forces, breakthrough statements like the [G7 communiqué](#) and the [Bridge to Busan Declaration](#) reaffirmed the need for a global binding treaty and absolute relevance of incorporating the production of primary plastic polymers.

As part of a coalition gathering 160+ financial institutions, BNP Paribas Asset Management also took the opportunity to voice its support to a robust agreement by signing the [Financial Sector Statement to end plastic pollution](#). The statement called governments for further efforts to catalyze private investments to end plastic pollution through public-private partnerships, blended finance, and de-risking mechanisms.



*Source: Business Coalition for a Global Plastics Treaty

Upcoming [INC-5 session](#) in Busan, South Korea, from November 25 to December 1, 2024, rightfully crystallizes important expectations. As members of the Business Coalition¹⁹, we believe it should aim to secure, at a minimum:

- Common obligations to address problematic plastic products, chemicals of concern, and product design.
- A comprehensive package for treaty implementation, including public and private finance mobilization.
- Sector-specific programmes for areas like packaging and fishing gear.
- Mechanisms for reporting, monitoring, and evaluating the treaty's effectiveness, allowing policy strengthening over time.

Intersessional working groups on finance and chemicals of concern are also underway, essential for establishing financing mechanisms and encouraging alignment on product design issues.

While global plastics pollution raises major challenges, an ambitious UN treaty offers a potential recovery pathway. Circular economy solutions could help reduce annual plastic pollution volumes by 80% by 2040 and achieve near-zero pollution by 2060²⁰. Investors can play an important role leveraging their influence to engage with corporates and policy makers, thereby promoting a new plastics economy.

¹⁹ [Our ambition for the treaty ahead of INC-5 \(businessforplasticstreaty.org\)](#)

²⁰ [Vision Statement | Business Coalition for a Global Plastics Treaty \(businessforplasticstreaty.org\)](#)

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