International Council of Chemical Associations

A Trade and Economic Framework for Addressing Plastic Pollution

Trade is a significant component of a wide range of current multilateral discussions on addressing plastic pollution including:

- UN Global Plastics Treaty negotiations– including proposed language to manage trade in plastic products, materials, and waste;
- Basel Convention – implementing commitments on the transboundary movement of plastic waste;
- World Trade Organization (WTO)– advancing multiple discussions on trade and the environment, including a separate Dialogue on Plastic Pollution (DPP); and
- World Customs Organization (WCO) – promoting efforts to develop a "Green Customs" action plan including on border management of recyclable plastic materials and plastic waste.

The global chemical and plastic industry recognizes that multilateral trade measures can help play an important role in eliminating plastic pollution. With the right enabling framework, free and fair trade can be a critical accelerator of plastics circularity to promote economic models that will generate long-term solutions to address plastic pollution. Such solutions will particularly benefit developing countries, promoting economic activity and growth while delivering environmental solutions. Trade restrictive approaches, however, could limit access to materials and technologies necessary to implement circular economy solutions, negating these benefits and creating potentially WTO inconsistent policy approaches.

The following table outlines the economic and investment benefits of a trade facilitative approach:

Economic Model	Economic and Investment Benefits	Policy needs
Waste Collection	Job Creation opportunities (particularly for informal economies): • Reliable income stream • Skills training to identify feedstock for recycled content • Safety equipment/training	• Trade: access to sufficient feedstock content; • EPR regimes: finance and investment of collection regime • Customs infrastructure/border management for delivery of feedstock for recycling

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Recycling	• Technology adaption • Manufacturing capacity • Job creation • Domestic economy/tax revenue	• Investment policy • Regulations and standards • Definition of waste for recycling
Upstream production with recycled content	• Innovation • New and sustainable product streams • Worker development	• Regulations and standards • Fast track recycled materials for commercial marketplace

By identifying unnecessary barriers to trade as well as investment barriers to waste management and recycling, industry can align with the interests of developing countries to promote investments that generate jobs and sustainable income while simultaneously preventing waste leakage and plastic pollution. Such efforts would result in more concrete outcomes in line with multilateral trade rules and align interests between developing and developed countries on using trade to promote investment, development, and environmental sustainability.

1. Barriers to trade can impede effective waste management as part of efforts to eliminate plastic pollution

Removing unnecessary barriers to trade will facilitate the movement of hard to recycle plastic waste from countries without sufficient recycling capacity to regional hubs that have the capacity to recycle plastic waste in an environmentally sound manner.

This will especially benefit smaller economies and Small Island Developing States (SIDS) who may not have sufficient scale to run such recycling operations economically. It would also help in the development and implementation of national circularity policies that promote waste management to address plastic pollution, including enhanced clean-up, collection, sorting and recycling, but may still not have the infrastructure to deal with hard to recycle plastic waste.

A lack of common definitions, rules, or other criteria often prevents effective deployment of effective waste management technologies and creates in effect a barrier to trade that can impede efforts to address plastic pollution. With such information, a coordinated and transparent trade regime for plastic and circular waste materials can address key challenges such as:

- promoting access and investment in waste management and recycling technologies including clear rules for import of plastic waste/feedstock for further processing in an environmentally sound manner;

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- improving conditions for informal sector workers and creating new jobs from collection and sorting facilities in countries that generate and export waste materials;
- streamlining the rules governing trade in waste including on data collection;
- setting clear criteria to facilitate trade in plastic waste materials including developing customs requirements, best practices, regulatory requirements, promoting international standards and preventing trade in illegal plastic waste; and
- incentivizing opportunities for value creation in recycled materials to develop new markets.

2. Coordinated and concrete outcomes can address barriers to waste management and support a transition to a more circular economy.

Aligned with the UN Global Plastics Treaty negotiations, the global chemical and plastics industry would encourage greater engagement on the implementation of the Basel Convention, including with stakeholders, to address emerging elements including:

- recognition of chemical recycling as environmentally sound recycling technology under the Basel Technical Guidelines on the identification and environmentally sound management of plastic wastes and for their disposal**;** and
- improvements to the Basel Convention to include
    - harmonized end of waste criteria for when plastic waste becomes a raw material or feedstock (including a definition of 'feedstock'),
    - the establishment of more efficient Prior Informed Consent (PIC) procedures (e.g. consideration of a simplified PIC procedure for Y48 plastic waste category, while ensuring the environmentally sound management (ESM) of these wastes); and
    - improved implementation of electronic-PIC (e-PIC) procedures.

As a critical stakeholder, the WTO can complement these efforts to help identify and remove unnecessary trade-related barriers that prevent effective waste management and clean-up and develop a more coordinated and transparent trade regime that addresses plastic pollution. Specifically, the WTO can:

- help ensure that other multilateral efforts are consistent with WTO agreements and provisions that facilitate trade and investment;
- promote trade-related measures, guidelines, and rules that facilitate feedstock flows for recycling and investment in recycling technologies;
- identify trade-restrictive measures on trade in feedstock that impose obstacles to a global and efficient circular economy for plastic waste recycling;

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- leverage existing commitments, statements, and dialogues as guidelines for these efforts such as
    - WTO Agreement on Technical Barriers to Trade (TBT);
    - Trade Facilitation Agreement (TFA) and Investment Agreements;
    - Committee on Trade and the Environment (CTE); and
    - Trade and Environmental Sustainability Structured Discussions (TESSD)
- promote specific trade-related capacity building and cooperation work that focuses on the implementation of countries' National Action Plans on Plastics trade, focusing on plastic waste, feedstock, and recycled materials; and
- work with the WCO on the development of automated and expedited customs procedures for recycling materials including waste/feedstock, aligned with WTO TFA commitments on documents and formalities connected with import, export, and transit as well as customs cooperation and prompting more electronic/automated systems for documentation.

The WTO can also help align all organizations under a trade strategy that would more quickly result in concrete outcomes. Such efforts would complement the current provisions under the Basel Convention on transboundary movement of plastic waste and facilitate the acceleration of plastics circularity, creating a more agile instrument for the implementation of simplified procedures for the movement of plastic waste that can be used as valuable feedstock by countries that have capabilities to process it. This would also help support UN efforts in ensuring commitment to free and fair-trade principles and commitments in the Global Plastics Treaty and more specifically, focus cooperation capacity building efforts on addressing chokepoints in the development of waste management value chains and circular economy systems, especially for SIDS and developing countries. This would ensure all organizations are working under a coordinated strategy within their individual mandate and expertise.

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