eunomia

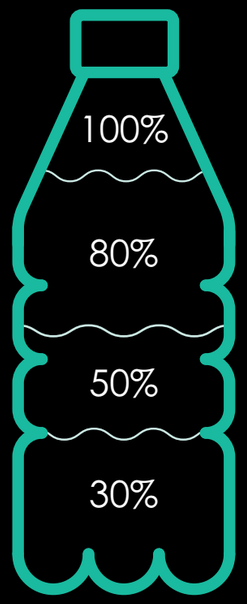
Europe & Central Asia

How primary polymer fees can help end plastic pollution

INC 5.2 is the final chance to agree on a legally binding global treaty to end plastic pollution. A fee on primary plastic polymer production could generate significant funds to bridge the gap between the Treaty's goals and estimated available financing, addressing the needs of developing countries and small island states. The INC Chair's December 2024 text acknowledges this, including 'primary plastic polymer fees' as a funding option in Article 11. As this paper shows, even partial adoption of the fee could deliver major benefits in tackling plastic pollution.

Polymer fee uptake

The bottle represents the level of fee uptake by countries with primary polymer production capacity. Uptake is expressed as a percentage of the total volume of primary polymers produced globally.



$455B

$375B

$240B

$150B

Fee revenues raised globally (US$ billion)

based on a US$90 per tonne fee level

Bridging the gap

Under an ambitious treaty, the funding gap to 2040 has been estimated at between US$350 and US$500 billion.[1]

A fee of US$90 per tonne at 100% uptake could close this gap and help end plastic pollution globally.

Even at lower levels of uptake, the fee could generate crucial funding that can have a transformative impact on countries most in need.

Finding the sweet spot

A fixed fee level of US$90 per tonne is only one potential option to implementing the fee. In practice, different fee levels could be explored to maximise impact and would be determined by the Parties, providing flexibility.*

Options include starting with a more modest rate to boost initial participation. The fee could then increase over time as ambition grows and new data emerge, creating momentum and sustained financial support throughout the Treaty's implementation.

Fair and complementary burden sharing

The fee helps to create fair burden sharing across the plastics value chain, imposing some costs on primary polymer producers, while extended producer responsibility (EPR) schemes impose costs on mid- and downstream producers. The fee could complement EPR schemes, being mobilised quickly, and de-risk private capital investments to develop critical waste management infrastructure in advance of EPR schemes.

Producing countries with low production levels, or those in low-income countries could be exempted from contributing, to reduce administrative burden and safeguard nascent industries.* Such exemptions would have minimal revenue impact, since 95% of plastic production comes from 30 mostly high and upper middle income countries.[2]

** Fee implementation decisions – such as fee levels and dynamism, exemptions, spending priorities, and distributing mechanisms – can be determined following Treaty ratification.*

[1] *Minderoo Foundation (2024) 'The Polymer Premium: A Fee on Plastic Pollution'*

[2] *Eunomia analysis based on Wood Mackenzie data*

Distributing the fee revenue

Revenues from the fee should be targeted to support Treaty implementation in developing countries, with funds supporting country-specific priorities.

Distribution would be based on needs-based allocations.* This paper uses gross domestic product (GDP) per capita, adjusted for purchasing power parity (PPP), so that financing of lower income countries is prioritised.

However, more nuanced methods could include indicators of mismanaged plastic waste, legacy pollution or a combination of variables.

Even with low participation (e.g., the 30% uptake scenario above), funds could be directed to the countries with the greatest need, ensuring the fee delivers meaningful support where it is most required.

US$900 million

per annum

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Under a US$90 per tonne fee, at 100% uptake, countries in the region could collectively receive an annual average of **US$900 million** in funding through fee revenues, which equates to an average of around **US$1** per capita per year. This means that **European & Central Asian** countries could collectively spend **US$900 million** per year to:

- ✓ Develop critical waste management infrastructure, with a just transition for waste workers
- ✓ Remediate legacy plastic pollution
- ✓ Drive investment in circular solutions, like reuse systems
- ✓ Address the health-related impacts of plastic pollution

Note that these figures are averages for the whole region and estimated funding can vary significantly between countries based on per capita GDP. At a lower uptake or fee level, revenue from the fee would be proportionately lower.

Consumer impacts

The economic impact of a plastic polymer fee on consumers is expected to be minimal. This is because primary plastic polymers make up only a small share of most product prices, so any cost increase would be heavily diluted. To illustrate this point, the diagrams opposite show how a US$90 per tonne fee would affect the costs of four everyday plastic products, assuming full global uptake and a worst case scenario where all costs are passed to consumers. With lower uptake or fee level, this minimal impact would be diluted further.

Bottle of water **+1.12%**

Dress **+0.30%**

Fridge **+0.62%**

Polystyrene food container **+1.27%**

All results were estimated based on Eunomia models developed using data from various sources including OECD's Global Plastics Outlook, Wood-Mackenzie, and SYSTEMIQ's Global Rules Scenario. See the **Technical Annex** *for details https://www.reloopplatform.org/technical-annex*