Regional discussions on financial considerations

Note by the secretariat

The secretariat has the honour to provide in the annex to the present note excerpts from the reports of, and brief summaries of, deliberations on financial considerations that have taken place at regional meetings since the first session of the International Conference on Chemicals Management in February 2006. Participants at the current session of the Conference may wish to take these deliberations into account when addressing issues related to financial and technical resources for implementation of the Strategic Approach. For ease of reference the provisions of the Strategic Approach Overarching Policy Strategy pertaining to financial arrangements are reproduced in the annex. The annex is presented without formal editing.
Annex

Summaries and excerpts from the reports of deliberations on financial considerations at regional meetings on the Strategic Approach to International Chemicals Management

A. Strategic Approach financial arrangements agreed in the Overarching Policy Strategy

1. Paragraph 19 of the Overarching Policy Strategy of the Strategic Approach states as follows:

“The Strategic Approach should reflect national, regional and global efforts to advance the sound management of chemicals recognizing Principle 7 of the Rio Declaration on Environment and Development. The Strategic Approach should call upon existing and new sources of financial support to provide additional resources and should build upon, among other things, the Bali Strategic Plan for Technology Support and Capacity-building. It should also include the mobilization of additional national and international financial resources, including through the Quick Start Programme and other measures set out in this paragraph, to accelerate the strengthening of capabilities and capacities for the implementation of the Strategic Approach objectives. The extent to which developing countries, particularly least developed countries and small-island developing States, and countries with economies in transition can make progress towards reaching the 2020 goal depends, in part, on the availability of financial resources provided by the private sector and bilateral, multilateral and global agencies or donors. Financial arrangements for the Strategic Approach include, among other things:

(a) Actions at the national or sub-national levels to support financing of Strategic Approach objectives, including by:

(i) Integrating Strategic Approach objectives in relevant programmes, plans and/or strategies at various levels;

(ii) Assessing current laws, policies and regulations to identify changes that may be needed to advance implementation of the Strategic Approach objectives, including an assessment of funding needs where appropriate;

(iii) Assessing and where necessary adopting appropriate policies at the national and sub-national levels, which could include economic instruments, that can help to cover the cost of sound chemicals management;

(iv) Where appropriate, assessing and adopting at the national and sub-national levels economic instruments intended to internalize the external costs of chemicals, bearing in mind that such instruments need careful design, especially in developing countries and countries with economies in transition;

(v) Governments and other stakeholders exchanging information on experience and studies in the national use of economic instruments and submitting such information to the United Nations Environment Programme (UNEP) to make it broadly available;

(b) Enhancing industry partnerships and financial and technical participation in the implementation of Strategic Approach objectives, including by inviting industry:

(i) To review and strengthen current voluntary industry initiatives to address the considerable challenges associated with the implementation of Strategic Approach objectives;

(ii) To develop new initiatives, including in partnership with foundations, academia and non-governmental organizations, for the implementation of Strategic Approach objectives;
(iii) To provide resources, including in-kind contributions, for the implementation of Strategic Approach objectives, continuing and building upon its initiatives on good corporate social and environmental responsibility;

(c) Integration of the Strategic Approach objectives into multilateral and bilateral development assistance cooperation, including by:

(i) Developing countries and countries with economies in transition, where necessary with the technical support of donors, considering the integration of Strategic Approach objectives into relevant national documents that influence development assistance cooperation;

(ii) Donors responding to requests by, and working in partnership with, developing countries and countries with economies in transition by recognizing Strategic Approach objectives as an important element of bilateral aid agency cooperation in support of sustainable development;

(iii) Inviting United Nations specialized agencies, funds and programmes and other intergovernmental organizations to include Strategic Approach objectives within their activities, as appropriate;

(d) Making more effective use of and building upon existing sources of relevant global funding, including by inviting the Global Environment Facility and the Montreal Protocol on Substances that Deplete the Ozone Layer and its Multilateral Fund for the Implementation of the Montreal Protocol within their mandates to consider whether and how they might support implementation of appropriate and relevant Strategic Approach objectives and to report;

(e) Supporting initial capacity-building activities for the implementation of Strategic Approach objectives by establishing a programme to be called the Quick Start Programme. The Programme will contain a voluntary, time-limited trust fund and may include multilateral, bilateral and other forms of cooperation. The trust fund will be administered by UNEP;

(f) Inviting Governments and other stakeholders to provide resources to enable the secretariat of the Strategic Approach to fulfil the tasks set out in paragraph 28, including by:

(i) Inviting UNEP to arrange for the adaptation and reinforcement of the existing voluntary trust fund to support these tasks;

(ii) Inviting all countries and regional economic integration organizations to contribute;

(iii) Inviting the private sector, including industry, foundations and other non-governmental organizations, to also contribute.”

B. Africa

2. At the African regional meeting on the Strategic Approach held in Cairo, Egypt, from 11 to 14 September 2006 the meeting participants adopted a position on financial considerations relating to the Strategic Approach. At the second African regional meeting, held in Dar es Salaam, United Republic of Tanzania, on 16 and 17 July 2008, the meeting participants updated the African regional position. The updated position is set out in annex V of the report of the second meeting (SAICM/RM/Afr.2/9, which is available on the Strategic Approach website, www.saicm.org) and is reproduced as follows:

“1. The Strategic Approach to International Chemicals Management addresses financial considerations in chapter V of the Overarching Policy Strategy, where it is recognized that “the Strategic Approach should call upon existing and new sources of financial support to provide additional resources and should build upon, among other things, the Bali Strategic Plan for Technology Support and Capacity-building”. Furthermore, the Overarching Policy Strategy provides that the Strategic Approach should also include the mobilization of additional national and international financial resources and other measures set out in paragraph 19 of the Overarching Policy Strategy to accelerate the strengthening of capabilities and capacities for the implementation of the objectives of the Strategic Approach.

2. African countries hereby call for:

(a) Donor countries to mobilize existing and new sources of financial support to provide additional resources for implementation of the Strategic Approach in Africa and:
(i) African Governments to include the sound management of chemicals in requests for development assistance;

(ii) Donor countries to respond positively to requests for development assistance.

(iii) A sub-regional and regional reporting process to be established in order to evaluate progress in the provision of resources;

(b) Donor countries to increase their contributions to the Quick Start Programme adequately to meet the Programme’s needs;

(c) The International Conference on Chemicals Management at its second session to adopt a sustainable financial mechanism for the Strategic Approach in order to achieve the 2020 chemical safety goal set out in the Johannesburg Plan of Implementation.

(d) The Global Environment Facility (GEF) to establish a new focal area for sound chemicals management based on new and additional resources at the next meeting of the GEF Assembly and:

(i) The African Ministerial Conference on the Environment to support the establishment of a new GEF chemicals management focal area;

(ii) GEF Council members representing African country constituencies to present effectively to the GEF council the proposal for a new chemicals management focal area;

(iii) The African Core Group to facilitate the promotion of the above proposal;

(e) African countries to explore access to other potential global sources of funding for sound chemicals management such as the Multilateral Fund for the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer or through the Bali Strategic Plan for Technology Support and Capacity-building;

(f) New resources from African bodies such as the African Development Bank, subregional development banks and the proposed African Environment Fund when it becomes operational to facilitate the implementation of the Strategic Approach in Africa and African Governments to include the sound management of chemicals in project proposals to such bodies as appropriate;

(g) Regional and subregional organizations and other initiatives such as the New Partnership for Africa’s Development to ensure their support for Strategic Approach implementation activities by including sound chemicals management in their programmes of work;

(h) Non-governmental and other civil society organizations to contribute to Strategic Approach implementation actions;

(i) To encourage non-governmental organizations and foundations to provide additional funds for civil society to facilitate Strategic Approach implementation;

(ii) To encourage civil society to establish a foundation;

(i) The participating organizations of the Inter-Organization Programme for the Sound Management of Chemicals to give priority to African countries to support their programmes for effective implementation of the Strategic Approach, taking into account the concentration of Least Developed Countries in Africa and the region’s extensive needs for assistance in chemicals management.

(j) Industry partnerships, including financial, technical and in-kind support, to strengthen voluntary initiatives and to develop new initiatives with other stakeholders for Strategic Approach implementation, taking into consideration the existing partnerships established under chemicals and waste related conventions;
(k) Mobilization of national financial and other resources through relevant departments and ministries, especially those for agriculture, energy, environment, finance, health, industry, labour and trade, in order to facilitate implementation of the Strategic Approach in all relevant sectors;

(l) Mobilization of resources through the synergy process between chemicals and waste related convention to support implementation of the Strategic Approach;

(m) African countries, through their appropriate ministries and departments, to consider adopting national economic instruments that can help to cover the cost of sound chemicals management including, as appropriate, economic instruments to internalize the external costs of chemicals and:

(i) To encourage carefully-designed pilot efforts in a few countries;

(ii) To disseminate information on economic instruments already in use;

(iii) To encourage the exchange of information on relevant experiences and studies on the design and implementation of economic instruments from both new and existing economic instruments;

(n) The African Core Group to facilitate the promotion and adoption of the national economics instruments referred to above.”

C. Asia-Pacific

3. At the regional meeting for Asia and the Pacific held in Bangkok, Thailand, from 21 to 23 May 2007, the meeting participants discussed Strategic Approach financial considerations, as recorded in the following extract from the meeting report (SAICM/RM/AP.1/3, which is available on the Strategic Approach website, www.saicm.org):

“99. Introducing the sub-item the Co-Chair said that the provisions of the Strategic Approach relating to financial considerations are set out, principally, in section V of the Overarching Policy Strategy. The meeting had before it, for information, the African regional position on financial considerations contained in document SAICM/RM/AP.1/INF/2, views of the European Union -JUSSCANNZ countries contained in document SAICM/RM/AP.1/INF/16 and the Central and Eastern Europe regional position contained in SAICM/RM/AP.1/INF/19. He added that the meeting might wish to note decision RC-3/5 of the Conference of the Parties to the Rotterdam Convention at its third meeting held in Geneva from 9 to 13 October 2006. That decision encouraged Parties to seek support from the Quick Start Programme of the Strategic Approach for projects to implement the Rotterdam Convention. In addition, the Conference of the Parties to the Basel Convention in its decision VIII/34, taken at its eighth meeting held in Nairobi from 27 November to 1 December 2006, had recommended that developing country Parties and Parties with economies in transition explore the possibilities of support from the Quick Start Programme.

100. In response to a request for clarification on the role of Global Environment Fund (GEF), the secretariat said that paragraph 19 of the Overarching Policy Strategy referred both to the multilateral fund of the Montreal Protocol and GEF and that neither body had formally responded to the invitation of the International Conference on Chemical Safety to support Strategic Approach implementation within their existing mandates. The GEF Council would shortly consider a strategy paper on cross-cutting chemicals management issues to clarify and allow access to existing funding windows. It was hoped that a response would be received from both bodies by the end of the year.

101. In the ensuing discussion it was recalled that the Overarching Policy Strategy called for new and existing sources of funding and called on governments to include sound management of chemicals in development programmes including mainstreaming, and to examine economic instruments to internalize costs.

102. The meeting agreed that there was a need for further deliberation on interconnections between GEF and the Strategic Approach and noted that it was necessary to continue examining
multiple avenues either at the sub-regional level or at least in preparation for the second meeting of the International Conference on Chemical Management.”

D. Central and Eastern Europe

4. At the first regional meeting for Central and Eastern Europe, held in Riga, Latvia, from 4 to 6 December 2006, the meeting participants adopted the following position on Strategic Approach financial considerations (SAICM/RM/CEE.1/3, annex III, which is available on the Strategic Approach website, www.saicm.org):

“Recalling that in the Dubai Declaration on International Chemicals Management, Minister, heads of delegation and representatives of civil society and the private sector declared that ‘the sound management of chemicals is essential if we are to achieve sustainable development, including the eradication of poverty and disease, the improvement of human health and the environment and the elevation and maintenance of the standard of living in countries at all levels of development’,

Noting that the Strategic Approach to International Chemicals Management addresses financial considerations in chapter V of the Overarching Policy Strategy, where it is recognized that the Strategic Approach ‘should call upon existing and new sources of financial support to provide additional resources and should build upon, among other things, the Bali Strategic Plan for Technology Support and Capacity-building’, and that, furthermore, the Overarching Policy Strategy provides that the Strategic Approach should also include the mobilization of additional national and international financial resources and other measures set out in paragraph 19 of the Overarching Policy Strategy to accelerate the strengthening of capabilities and capacities for the implementation of Strategic Approach objectives,

Recognizing the diversity of the region and taking into account the different stages of economic development and varying needs for financial and technical assistance required to strengthen capacity for the sound management of chemicals,

1. Recommends the utilization of national mechanisms to support the implementation of the Strategic Approach, including, as appropriate:

(a) the integration and prioritization of sound chemicals management in national development planning, including in relation to such issues as governance, poverty alleviation, water resources and child health;

(b) the mobilization of national financial and other resources through all relevant departments and ministries including, but not limited to, agriculture, environment, health, industry, relevant economic activity, development cooperation, labour and science, in order to facilitate implementation of the Strategic Approach in all relevant sectors;

(c) the possible adoption of national economic instruments that can help to cover the cost of sound chemicals management including, as appropriate, economic instruments to internalize the external costs of chemicals and:

(i) the encouragement of carefully designed pilot efforts in a few countries;

(ii) the dissemination of information on economic instruments already in use;

(iii) the encouragement the exchange of information on relevant experiences and studies on the design and implementation of economic instruments from both new and existing economic instruments;

(d) the involvement of industry in partnerships, including for financial, technical and in-kind support for concrete projects, to strengthen voluntary initiatives and to develop new initiatives with other stakeholders for Strategic Approach implementation;

(e) the involvement of non-governmental and other civil society organizations in order to contribute to Strategic Approach implementation actions through:

(i) the encouragement of non-governmental organizations and foundations to provide additional funds for civil society to facilitate Strategic Approach implementation;

(ii) the encouragement of civil society to establish foundations;
2. Calls for increased international support for the implementation of the Strategic Approach, including through:

   (a) the establishment at the next meeting of the Assembly of the Global Environment Facility (GEF) of a new focal area for sound chemicals management in GEF, based on new and additional resources, and for GEF Council members representing Central and Eastern European country constituencies to present effectively to the GEF Council the proposal for a new chemicals management focal area;

   (b) adequate financial and in-kind contributions to the Quick Start Programme relative to needs;

   (c) strengthening chemicals management capacity through bilateral and multilateral technical, financial and development assistance cooperation;

3. Encourages efforts at the regional level to support Strategic Approach implementation through:

   (a) the engagement of relevant regional entities in a position to provide appropriate financial and technical assistance, including regional organizations, development banks and technical assistance centres, and the regional offices of intergovernmental organizations;

   (b) the provision, by Central and Eastern European Governments in a position to do so, of technical cooperation and financial contributions through regional mechanisms, such as TACIS (Technical Assistance to the Commonwealth of Independent States), TAIEX (Technical Assistance Information Exchange Instrument) and the European INTERREG (Interregional Cooperation) initiative.”

5. At the second regional meeting for Central and Eastern Europe, held in Bucharest, Romania, on 8 and 9 September 2008, the meeting participants concluded that the position developed at the first regional meeting still reflected the views of the region. The meeting participants discussed the importance of mobilizing national resources for Strategic Approach implementation, the need to develop sustainable long-term financial mechanisms, the need for mechanisms for engagement by and financial support from the private sector, the importance of planning beyond the lifetime of the Quick Start Programme of the Strategic Approach and the need to continue to engage with the Global Environment Facility, particularly at the time of its replenishment. One participant requested the preparation of an options paper for the second session of the International Conference on Chemicals Management and that that request be considered at the informal discussions to be held in Rome on 23 and 24 October 2008.

E. European Union and JUSSCANNZ countries

6. At their first meeting, held in Barcelona, Spain, from 20 to 22 November 2006, member States of the European Union and JUSSCANNZ1 countries discussed Strategic Approach financial considerations, as recorded in the following extract from the meeting report (document SAICM/RM/EUJ.1/5, which is available on the Strategic Approach website, www.saicm.org):

   “77. In his introduction to the item, the Co-Chair highlighted the importance that other regions attached to the issue of financial support for Strategic Approach implementation. He noted the decision RC-3/5 on Financial Mechanisms of the third meeting of the Conference of the Parties of the Rotterdam Convention, held in Geneva from 9 to 13 October 2006, which encouraged Parties to seek support from, among other things, the Quick Start Programme of the Strategic Approach for projects to implement the Rotterdam Convention.

   78. Before opening the discussions, the Co-Chair invited a representative of the European Commission to provide an introductory presentation on persuading aid donors that sound chemicals management is part of poverty eradication, which was previously presented during the recent fifth session of IFCS, Forum V, held in Budapest from 25 to 29 September 2006. The representative stressed the need to demonstrate clear linkages between sound chemicals management and poverty reduction, in the framework of the Millennium Development Goals

1 The abbreviation JUSSCANNZ refers to Japan, the United States of America, Switzerland, Canada, Australia, Norway and New Zealand. Mexico and the Republic of Korea, while not core members of the group, are associated with it.
(MDGs) adopted in 2000. One means for this was an assessment of costs of non-action in order to show two-way linkages. She mentioned the importance of a ‘country-owned’ approach in which aid recipients identify priorities, objectives and strategy and the donors provide support. She stressed that even if the donor understands the importance of sound chemicals management, they will not force its inclusion in a bilateral development partnership if not identified as a priority by the country concerned. To let sound chemicals management bloom, there were needs for seed money, outside of pre-allocated country support programmes. Such an approach was needed to build a credible case that could be understood by policy makers. She reminded participants that this facilitating role was the rationale for the Quick Start Programme and that it would not replace support for country-led work on chemicals but would pave the way for it.

79. In the ensuing discussion, several participants stressed the importance of the recent decision of the Conference of the Parties of the Rotterdam Convention on financial mechanisms which referred to the Strategic Approach and invited Parties to consider of the need for the Global Environment Facility (GEF) to broaden its programming activities, including the possibility of a chemicals-related focus area. The meeting noted discussions during the Meeting of the Parties of the Montreal Protocol on Substances that Deplete the Ozone layer, which took place from 30 October to 3 November in New Delhi.

80. Some participants were of the view that a new window for sound chemicals management should be established in the GEF to support, amongst other things, Strategic Approach implementation, and that this proposal should be part of discussion of GEF’s fifth replenishment. Some participants considered that existing GEF windows provided opportunities for support for chemicals work but others argued that access to such opportunities remained difficult. One participant recommended that the Strategic Approach secretariat approach the GEF secretariat to develop guidelines on access to existing windows of possible relevance to chemicals work.

81. Development and aid programmes were also seen as relevant means for the channelling of funding to support sound chemicals management. Participants appreciated in this regard the usefulness and information of the presentation provided. The representative of the African regional group informed the meeting of the reference made in the African position on financial mechanisms on the development of national economic instruments and requested EU-JUSSCANNZ countries to share experiences with her region on this. One representative indicated that as potential donor, they had not yet taken position on the best means of channelling funding and were still exploring possibilities which included, free trade agreements, or programmes on heavy metals.

82. Other participants noted that better coordination and synergies could help make more effective use of existing means and avoid duplication. One participant noted that it would be useful to have information on the financial contribution of industry, through its own internal initiatives to ensure compliance with environment and health standards, in addition to its Responsible Care and Global Stewardship programmes. One industry representative was interested in the idea, in principle, but indicated that it would require further internal reflection.”

7. At their second meeting, held in Paris, France, on 12 June 2007, member States of the European Union and JUSSCANNZ countries further discussed Strategic Approach financial considerations, as recorded in the following extract from the meeting report (SAICM/RM/EUJ.2/4, which is available on the Strategic Approach website, www.saicm.org):

“13. The meeting was updated on the outcomes of the second meeting of the Quick Start Programme Executive Board. There was one outstanding issue as the Board had decided to defer a decision on contribution assessment criteria for the Programme until the scope of enabling activities had been clarified.

14. The meeting also received a brief report on the discussions at a donors’ meeting which had taken place the previous day. The donors’ meeting had noted linkages between the Quick Start Programme and work underway in OECD, UNDP and the World Bank. A number of donors had made pledges to the trust fund and the secretariat. However, it was noted that there is a significant shortfall in support for the secretariat and that there are currently no funds available to support either the second session of the International Conference on Chemicals Management or the meeting of the Open-ended Legal and Technical Working Group. It was agreed that donors should continue informal discussions and that a further informal meeting should be arranged soon.
15. The meeting then began consideration of longer-term financial resources beyond the Quick Start Programme. It was noted that it would be important to draw in more non-traditional donors and the role of industry was noted.”

8. At their third meeting, held in Paris, France, on 12 February 2008, member States of the European Union and JUSSCANNZ countries received feedback from Strategic Approach donors, who had met the previous day and discussed financial considerations. The participants at the European Union-JUSSCANNZ meeting agreed to establish an informal working group, facilitated by Sweden, to continue discussions on Strategic Approach financial considerations. Representatives of Australia, Austria, Belgium, the Czech Republic, Denmark, the European Commission, Finland, Japan, Norway, Sweden, Switzerland and the United States of America indicated their willingness to take part in the informal group. (For more information refer to paragraph 23 of the report of the meeting, SAICM/RM/EUIJ.3/6, which is available on the Strategic Approach website, www.saicm.org).

F. Latin America and the Caribbean

9. At the regional meeting for Latin America and the Caribbean held in Panama City, Panama, from 14 to 16 February 2008, the meeting participants discussed Strategic Approach financial considerations, as recorded in the following extract from the meeting report (SAICM/RM/LAC.1/5, which is available on Strategic Approach website, www.saicm.org):

“154. The secretariat introduced the sub-item and said that the provisions of the Strategic Approach relating to financial considerations were set out, principally, in section V of the Overarching Policy Strategy. References to the matter were also found in the Dubai Declaration on International Chemicals Management and in resolutions 1/1 and 1/4 of the International Conference on Chemicals Management. He introduced document SAICM/RM/LAC.1/INF/20, presenting the positions taken by other regions during regional meetings in 2006 and 2007 on financial considerations, noting that the African and Central and Eastern European regions had developed a formal position but that the Asia-Pacific region had not, and had instead decided to continue discussions, particularly on issues such as the interconnections between the Global Environment Facility (GEF) and the Strategic Approach. The EU-JUSSCANNZ countries had established a financial working group to prepare a proposal for the second session of the International Conference on Chemicals Management.

155. The secretariat said that in 2007 GEF had adopted a new cross-cutting strategy on chemical management with the same overarching objective as the Strategic Approach. He added that the Quick Start Programme Trust Fund role of providing ‘seed money’ opened the way for possible use of Programme funds as co-financing for GEF projects, thus facilitating access to the larger resources available from the GEF.

156. In the ensuing discussion many representatives noted that examination of financial considerations must take into account the need to move from enabling to implementation activities and how the latter could be supported, given the limited scope and timeframe of the Quick Start Programme. Some representatives called for the Quick Start Programme to be expanded to overcome financial limitations per project and per country and for ways to be found to retain the elements of the Quick Start Programme beyond 2013 in order to finance implementation activities. In that regard it was noted that additional sources for funding, including through the Health and Environment Ministers of the Americas and regional development banks, should be sought. It was further suggested that the secretariat should continue to explore, with the Multilateral Fund of the Montreal Protocol, possibilities for the Fund to support Strategic Approach implementation.

157. Some representatives called for the establishment of a more stable and predictable financial mechanism to support Strategic Approach implementation. Several representatives proposed that the GEF be requested to examine possibilities for a new GEF window for chemicals. It was also recalled that existing GEF windows, such as those relating to persistent organic pollutants and land degradation, could be used as a means to access funds for chemicals management work in the meantime, as reiterated in GEF’s new cross-cutting strategy. One representative said that if a new window was opened funds should be both accessible and applicable. In that regard several representatives noted the proposals for integration of chemicals issues into the national development strategies currently underway.
158. One representative, noting the current discussions of the Ad Hoc Joint Working Group on Enhancing Cooperation and Coordination between the Basel, Rotterdam and Stockholm Conventions, said that the coherence of chemicals management must be maintained and looked forward to seeing the inclusion of the Strategic Approach in the outcome of the discussions.

159. Some representatives said that modalities should be identified to speed up the process of approval and signing of projects and for the disbursement of funds under the Quick Start Programme.

160. The meeting agreed to provide input to the representatives on the Quick Start Programme Executive Board on any Quick Start Programme issues of concern. The meeting further agreed it was not necessary to prepare a formal position paper on financial considerations at the present time.”