Submission from ICCA/Industry to:

VIRTUAL WORKING GROUP ON FINANCIAL CONSIDERATIONS

SET OF QUESTIONS FOR ELECTRONIC FEEDBACK

TOPICS: INTEGRATED APPROACH TO FINANCING THE SOUND MANAGEMENT OF CHEMICALS AND WASTE AND CAPACITY BUILDING

Note: Please submit your responses/feedback to the questions below to the SAICM Secretariat at saicm.chemicals@un.org, with a copy to eduardo.calderapetit@un.org on or before Friday, 13 November 2020. You may use this word document to submit your inputs. Indicate your name and organization.

a) General overview
   (i) Views on the establishment of a clearing house mechanism to track development aid and other possible sources for the sound management of chemicals and waste;

ICCA/Industry response: We note that when we refer to “Clearinghouse” in our submission, this refers to the need for a common market place, in other words “a Clearinghouse” for the Capacity Building. We will further elaborate on this concept below.

ICCA recognizes capacity building for recipient countries) is critical for achieving the objectives of the Beyond 2020 Instrument. We fully recognize that many countries do not have the needed funding and expertise to achieve the sound management of chemicals. Currently, there are many capacity building events funded and supported by donor governments, IGOs, industry, and NGOs every year. However, these are largely uncoordinated, ad-hoc, and lack continuity and ownership by both the receiving as well as the providing party. In order to improve the transparency and reach as well as the efficiency and effectiveness of various capacity building efforts, the Beyond 2020 SAICM would benefit from establishing a common platform that houses all capacity building (CB) activities to enhance the sound management of chemicals (SCM).

The concept of a “Capacity Building Clearinghouse” would not only serve as a hub to map out existing capacity building activities and track progress, but it could also generate additional funding. The Clearinghouse via its supporting facility could match requests for capacity building activities with those in a position to fund those activities (e.g. donor governments, industry, IGOs). In addition, the Clearinghouse would allow a space where the parties involved can agree on the expected outcome of the project, including targets and indicators. We fully recognize that governments and IGOs have their own mechanisms for identifying and funding capacity building projects. However, this Clearinghouse could serve as way to maximize the financial resources available and sync them to achievement of the SAICM Beyond 2020 Objectives and Targets. It would ensure sharing information about the various funding and capacity building opportunities available and helping developing countries design capacity building projects and apply for funding.

Such a Clearinghouse could aid not only in catalyzing financing and capacity building activities to achieve the SACIM Beyond 2020 objectives, but also serve as a way of tracking progress toward the sound management of chemicals. We recommend that receipt of aid be conditioned on reporting on Key Performance Indicators (KPI). Included as an annex is a draft paper that identifies more detail of elements that could be included in a CB Clearinghouse.
(ii) Views on the establishment of an arrangement, process or subsidiary structure comprising of finance and other relevant experts to keep sound management of chemicals and waste, capacity building, technology, finance and other resource mobilization sources and initiatives under review;

**ICCA/industry response:** As noted above, a CB Clearinghouse would need to be linked to the SAICM Beyond 2020 efforts to track progress. ICCA recommends the development of defined KPIs to assess progress from each capacity building project. We also recommend the development and staffing of a supporting function/secretariat to maintain the catalogue of CB activities, liaise with donors and developing countries, follow-up on submission of KPIs and track progress, etc. Please refer to the annex where a few options are identified on how to organize the supporting function. These involve using the existing secretariat ships within UN agencies or to engaging with an external consultant to carry out the tasks.

(iii) Additional views on text SAICM/IP.4/2, page 14, paragraphs 1 - 3.

b) **Mainstreaming**

(i) **What concrete mechanisms and actions could achieve mainstreaming for the sound management of chemicals and waste at the national level?**

**ICCA/industry response:** Mainstreaming the sound management of chemicals and waste at the national level is critical for governments to achieve the sound management of chemicals. ICCA notes that the most significant way to achieve this mainstreaming is through the establishment of fee-based chemical management systems in each country. It is critical for countries to prioritize the funding of chemical management and ensure that fees collected through chemical management systems are dedicated and proportionate for their intended purpose and not redirected to other government priorities.

ICCA notes that are many tools developed by UNEP, governments, and industry that can help guide developing countries in setting up such systems and that support for the development of chemical management systems should be a high priority for capacity building projects. ICCA supports that when countries examine their overall development aid needs, they prioritize support for chemical management.

Evaluation studies\(^1\) on the effectiveness of capacity building activities show the need for:

1. a clear focus on building national regulatory capacity that can be sustained also after the project funding is terminated;
2. a follow-up mechanism on clear and a few selected targets that should be achieved in the years following the completion of the project/activity;
3. the project should not to be a stand-alone but be part of a country’s comprehensive chemicals management planning and capacity building;
4. tailor made design of projects/activities that are country and needs specific;
5. long-term commitment by both receiving as well as providing parties, including financing of activities;

These items should be considered by countries as they look to mainstream chemical management activities into their national priorities and development aid requests.

(ii) **Views on text SAICM/IP.4/2, page 15, paragraphs 6 - 7.**

**ICCA/industry response:** ICCA supports the text in paragraph 6 and has no preference on the bracketed terms.

---

c) **Private sector involvement**
   
   (i) **Gather views on how private sector involvement would support implementation of the sound management of chemicals and waste.**

   **ICCA/industry response:** ICCA notes the important role of the private sector in implementing the sound management of chemicals and waste. Industry’s primary role is to comply with regulations, including agreed upon taxes and fees, to support chemical management in each country.

   ICCA supports paragraph ALT 10 under Private-sector Involvement: In line with the three components of the integrated approach to financing, i.e. mainstreaming, private sector involvement and dedicated external finance, private sector to commit to support the SAICM goal of sound management of chemicals and waste by providing investment and in-kind contributions, including through fees paid to support domestic chemicals management schemes, data generation, partnerships, capacity building and global GHS implementation. Private sector to further advance the sound management of chemicals and waste through in-kind commitments to innovation, training, safety and sustainability initiatives as well as compliance with chemical regulatory requirements in jurisdictions around the globe.

   ICCA notes that in countries where there is the biggest need, for example countries that lack a (basic) chemicals regulatory framework, the broader industry could play a more active and prominent role by using its national and regional industry associations (where they exist) and companies to support governments on their journey of institutional strengthening and to set up a basic chemicals regulatory systems. For example, the recently established Latin American Regulatory Cooperation Forum (LARCF) brings together key regulators, industry representatives, and other stakeholders in the Latin American region to jointly define and achieve the actions leading to basic regulatory frameworks in the region. Such a forum may also be replicated to other regions.

d) **Dedicated external financing**
   
   (i) **How can SAICM inform the GEF replenishment process to increase funding for the sound management of chemicals and waste and what are the priority areas for inclusion in the C&W focal area?**

   ICCA strongly supports the prioritization of funding for sound management of chemicals and waste by the GEF and notes some of the challenges countries have faced in receiving funding. A revitalization of the formerly existent Quick Start Programme could be one avenue for increasing access to GEF funding. In addition, SAICM could consider a communications campaign and specific outreach to additional donors when launching the new SAICM beyond 2020 programme.

   (ii) **What concrete actions could support implementation of the beyond 2020 programme of work - for example operationalizing the Overall Orientation Guidance (OOG) - in line with the objectives of the UNEP Special Programme:**

   In the Clearinghouse, a “catalogue” can be developed where stakeholders, for example industry associations/companies, can identify their expertise taken into account the OOG areas to identify concrete areas for capacity building. Identifying concrete areas to start with in the Clearinghouse will facilitate a guidance towards concrete projects on how best to implement OOGs. In addition, ICCA recommends closely tying the Beyond 2020 Objectives, Targets, and Indicators with the assessment of projects for funding through the UNEP Special Programme.

   (iii) Views on text SAICM/IP.4/2, page 16, paragraphs 12 - 16.

   ICCA supports the text in paragraphs 12 and 1

e) **Capacity building**
   
   (i) **What are the concrete mechanisms and actions regarding capacity building across sectors to support the beyond 2020 programme of work (related to all sections above)?**
ICCA/industry response: Please refer to ICCA’s submission made in document SAICM/IP.4/5 and also the comments made in question a, i) as well as the annex regarding the Capacity Building Clearinghouse.
Background

Progress toward the objectives for the new SAICM instrument depends on adequate resources including financing and in-kind contributions to build capacity in recipient countries to develop, implement, and enforce chemical management regulations.

The current integrated approach to financing under SAICM calls for mainstreaming of chemicals and waste priorities, industry involvement, and dedicated external financing. The International Council of Chemical Associations (ICCA) supports the creation of fee-based chemical management systems in each country. However, ICCA recognizes that not all countries currently have the capacity to develop and implement such systems. Therefore, capacity building to support the formation and implementation of chemical management systems is critical for recipient countries.

Currently, numerous governments, intergovernmental organizations (IGOs), industry associations and companies, and civil society organizations undertake and fund capacity building activities supporting chemical management in developing countries and countries with economies in transition. These activities are largely uncoordinated and often duplicative. Challenges faced in such capacity building activities is that they are ad-hoc, fragmented and lack continuity and ownership by both the receiving as well as the providing party. In addition, the existing local industry expertise available to make the activities efficient are not used to their full potential. Evaluation studies\(^2\) on the effectiveness of capacity building activities show the need for:

- a clear focus on building national regulatory capacity that can be sustained also after the project funding is terminated;
- a follow-up mechanism on clear and a few selected targets that should be achieved in the years following the completion of the project/activity;
- the project should not to be a stand-alone but be part of a country’s comprehensive chemicals management planning and capacity building;
- tailor made design of projects/activities that are country and needs specific;
- long-term commitment by both receiving as well as providing parties, including financing of activities;

Proposal for a New Capacity Building Clearinghouse

To address the abovementioned challenges and implement these recommendations, ICCA proposes the creation of a “Capacity Building (CB) Clearinghouse” under the new SAICM (here designated as “SAICM 2.0”, pending a new name). Such a CB Clearinghouse would act as an intermediary between a country with capacity building needs and a donor country and/or other stakeholders. Proposed projects would need to be aligned to advancing the objectives of “SAICM 2.0.”

Key objectives of such a CB Clearinghouse include:

1) Creating a single hub for collecting information on ongoing and proposed capacity building activities relating to the sound management of chemicals and waste by public and private sector stakeholders;

2) Support developing countries in identifying potential funders for capacity building projects and developing project proposals;

3) Allowing for coordination at regional and local level, meaning that when a project is matched to take place in region X, the relevant partners in that region which have the relevant expertise and resources should play a key role in executing the project (these can be local chemical industry associations, UNEP regional offices, the delegations of various developed countries and of NGOs).

4) Allowing for stages in the process. As the SAICM objectives are quite broad and have a longer term perspective, it is recommended to focus the projects at the initial stage to pertinent but achievable and “smaller scaled” SAICM objectives. For example, agreeing on a roadmap to implement GHS in country X in 2 to 3 years.

5) Ensuring that expertise and learnings from completed capacity building activities can be leveraged across other similar CB efforts, for example across neighboring countries or a region.

It is important to note that the CB Clearinghouse may very well be part of the efforts done in other fora, including the GHS Alliance led by UNITAR/ILO/OECD and other future multistakeholder initiatives that might be created.

The first step in improving capacity building coordination is to understand what projects have been completed and are underway around the globe, and which governments and/or organizations are funding and contributing towards these projects. To improve the efficiency, effectiveness, and transparency of existing capacity building activities, all stakeholders must be willing to report on their capacity building projects in the CB Clearinghouse and track progress of each project. Having a common understanding of the ongoing CB projects and their outcomes will inform donors’ selection of new projects that they wish to contribute to.

Rather than creating a new, dedicated global fund, CB Clearinghouse would create an (online) clearinghouse where demand and supply of capacity building activities will meet and can subsequently

---

3 including funding from national budgets of the recipient country, the GEF Trust Fund, UNEP Special Programme (pending renewal) and bilateral/multilateral programmes from governments, IGOs, NGOs and industry.
be matched. Donors would retain the autonomy to make funding decisions, but the Clearinghouse would help match developing countries with available funds and existing funding mechanisms.

Such a publicly visible CB Clearinghouse (hub) promotes transparency and accountability. This approach will help avoid situations where multiple stakeholders are funding and supporting similar, uncoordinated projects in a country. It also allows for using (more) the available local expertise (presence of local industry, NGOs, delegations). Furthermore, by identifying common interests and priorities, additional financial means and in-kind contributions could be provided.

Participation in CB Clearinghouse would be voluntary, but there should be a strong expectation that the involved stakeholders—including donor and recipient governments, IOMC organizations, NGOs and the private sector—report regularly on their targeted capacity building activities as part of their commitment to the new SAICM 2.0.

In order to be effective, the CB Clearinghouse must have a smooth and effective mechanism to bring forward proposals for consideration and an easy-to-use interface for reviewing and inputting information on projects. Under the CB Clearinghouse, capacity building activities relating to the sound management of chemicals will all be reported to a newly-created website, including progress tracking (see recommendations below on the use of Key Performance Indicators, KPIs).

Options for designing a CB Clearinghouse

For a proper functioning, the CB Clearinghouse needs guidance and support. ICCA recommends a governance model with a pragmatic approach without unnecessary bureaucracy. In addition, it is recommended to establish a progress tracking mechanism, whereby the CB Clearinghouse is used for submission of the KPIs and for reporting on the progress.

There are multiple approaches for establishing the governance and to track progress.

Governance

Option 1: Linking to existing platforms (i.e. UNITAR, SP).

There should be mechanism to bring forward projects proposals similar to process for the Special Programme and to the ICCA capacity building funding (which is executed at the national level through the national associations). In order to bring forward a project proposal, the developing countries are required to identify a specific need (e.g. establishing a domestic chemicals inventory, development of a chemical management regulation, implementation of GHS, process safety training), and to provide a detailed project proposal including benefits, timelines, targeted stakeholders, cost, and follow-up activities. In order to have a focused approach and allow for stages in the process, it is recommended to develop a catalogue which contains the expertise areas of the donating parties. For example, industry can share its expertise in how to innovate, manufacture and handle chemicals responsibly.

Option 2: External support via consultant

It is recommended to hire a consultant that understands the needs of the developing countries, preferably has worked in the authorities, has a broad network within SAICM stakeholders and has the ability to bring forward projects. Such a consultant would be responsible to “guide” the developing countries based on the available resources and expertise and bring forward project proposals into the
CB Clearinghouse. The consultant would then match the stakeholders from both supply and demand end and support the group in agreeing on the deliverables, milestones and KPIs. It is recommended to use the same

Option 3: Combination of the above

It is recommended to hire a consultant as explained in option 2, and to complement with the secretariat work done in UNITAR and/or UNP.

Progress tracking

It is also necessary to define a set of KPIs to assess progress from each capacity building project. One of the criticisms of the existing SAICM is that there was a limited mechanism for measuring progress. Allocation of funding and in-kind support towards a country’s CB project would require an agreement to submit KPIs before, during and upon completion of the project. Submission of KPIs would allow funders, donors and other countries to identify key learnings from these projects and help inform future funding decisions. The KPIs could also be utilized to report toward the SAICM 2.0 targets and indicators and the overall progress toward the SAICM 2.0 objectives.

To maximize coordination and avoid overlap, the website should also be used by donor countries and individual donors (e.g. philanthropists), industry (including national associations and individual companies), IGOs and NGOs to upload information or send information to the Clearinghouse about existing or planned projects in specific countries. The supporting function (by means of one of the three options as proposed above) will then be responsible for maintaining the website (and the App) and helping to match project proposals to interested donors. This could include sharing information about successful CB matching projects on a similar topic completed in one country for leverage towards a request from another country. This would help ensure learnings from CB projects are captured and leveraged across the countries. Such a mechanism would also allow maximizing the use of local industry expertise.

ICCA sees strong advantages in the creation of such a Clearinghouse, which could also include pilot projects on GHS implementation that will eventually fall under the GHS Alliance. Other projects may include current initiatives by OECD and industry to enhance knowledge sharing on chemicals, the work of the Basel and Stockholm Regional Centres, and the many ongoing projects that could benefit from additional partnerships and improved coordination.

ICCA also recommends regular meetings among the donors to review project requests/proposals, discuss linkages and partnerships, review project outcomes and learnings, and share best practices. These meetings could be conducted in coordination with regular SAICM 2.0 ICCM meetings.