VIRTUAL WORKING GROUP ON FINANCIAL CONSIDERATIONS

Written inputs from UNEP– Questions by Co-Chairs on Integrated approach to financing the sound management of chemicals and waste and capacity building

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;

**UNEP Response**

1. The decision on whether to establish such a mechanism should be based on a comprehensive analysis of value added for the implementation of the Instrument in respect of the existing TORs and capacity of the secretariat.
   a. Potential value could be leveraging of all three pillars of the integrated approach in order to catalyse resource mobilization for stakeholder implementation of sound management of chemicals and waste.
   b. Challenges include resources required to establish, maintain and analyse information from such a mechanism; and accessing the necessary data, noting that detailed financial data may be confidential or not publicly available.

2. If a mechanism is agreed, it should explicitly track the three pillars of the ‘integrated approach’ and include industry investments and dedicated funds as well as development assistance as currently phrased in the above question. In this case the necessary support should be provided for a strong Secretariat commensurate with the role.

(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;

**UNEP Response**

3. The current draft resource mobilization strategy prepared by the SAICM Secretariat is a useful starting point to establish a comprehensive and systematic structure for future review of finance aspects. It focuses on a) the three pillars of the Integrated Approach for resource mobilization; and b) resource needs for the Beyond 2020 process and the Secretariat. The current draft does not explicitly discuss resource needs by stakeholders to implement chemical and waste management, but could be added as represented in the bottom row of the following table:

<table>
<thead>
<tr>
<th>What –Eligible actions</th>
<th>How – Integrated Approach</th>
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<tr>
<td>Financing the secretariat and its workplan</td>
<td><strong>Mainstreaming</strong></td>
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<tr>
<td></td>
<td><em>e.g. Stakeholder secondments to secretariat</em></td>
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Elements as per the Resource Mobilization Strategy (IP4/6)

Clear roles and functions in supporting stakeholders in implementation

| Stakeholders actions | Eligible actions based on Beyond 2020 Indicators & Targets | Capacity building and institutional strengthening | e.g. Development assistance for chemicals and waste investments Government budgets for policy & enforcement | Examples include Extended Producer Responsibility and taxes / cost recovery for chemical & waste. Voluntary Corporate Social Responsibility initiatives | e.g. Projects to reduce chemicals and waste such as GEF Institutional Strengthening, Special Programme |

4. Irrespective of establishing a long-term mechanism, a mapping to identify baseline elements of resources mobilized for the sound management of chemicals and waste would be an invaluable exercise to inform the overall discussions in the Beyond 2020 negotiations.

(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;

**UNEP Response:**

5. UNDP and UNEP have published lessons from years of experience mainstreaming environment into development planning to reduce poverty. Lessons learned may be valuable for mainstreaming in this context as well. Among the key lessons are the broad conceptualisation of capacity development encompassing, people, institutions and society and the underpinning financing strategies and opportunities.

6. There are existing national and international processes including the UN Resident Coordinator System; moreover, the UN Reform is a major entry point/mechanism for mainstreaming across sectors.

7. Chemicals and waste management could be further mainstreamed in multi-stakeholder institutions and processes beyond national governments, from farmers, research, unions, media etc, including international organizations.

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

c) Private sector involvement

(i) Gather views on how private sector involvement would support implementation of the sound management of chemicals and waste.
8. The precise nature, extent and impact of private sector contributions are poorly quantified. Relevant private sector actors making such contributions include the full value chains of chemicals, from chemical manufacturers, manufacturers of alternatives to chemicals, industrial chemical users’ sectors (textiles, electronics, etc) and product retailers.

9. UNEP has published guidance on cost recovery, sustainable public procurement and economic instruments (among others) to increase private sector contributions to the sound management of chemicals and waste but there is limited evidence of the application of such instruments globally.

10. UNEP work with various sectors has demonstrated how private sector can support global environmental objectives and can be further explored for chemicals and waste management. Examples include the Finance Initiative and Partnership for Action on the Green Economy.

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?

(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;

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

UNEP Response:

11. Examples of successful dedicated external financing mechanisms (e.g. Montreal Protocol Trust Fund, Minamata and Stockholm conventions financial mechanisms and the Special Programme) share a common feature of a clear mandate to support developing countries meet a very focussed scope of well-defined convention obligations.

12. Dedicated sustained resources will be required to establish a strong secretariat commensurate with ambition.

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)?

UNEP Response:

13. The capacity needs and possible mechanisms to address them can only be defined once the framework is adopted and the programme of work for the beyond 2020 instrument is clearly set out and the capacity gaps confirmed.

14. UNEP supports the concept of institutional strengthening in addition to enhancing individual capacities necessary to implement agreed actions.
Background documents:

- SAICM/IP.4/2 Compilation of recommendations regarding the Strategic Approach and the sound management of chemicals and waste beyond 2020, for consideration by the fifth session of the International Conference on Chemicals Management
- SAICM/IP.4/5 Stakeholder input on the proposed draft ‘capacity building principles’ developed at the third meeting of the intersessional process by the co-chairs of the thematic group on financial considerations
- Policy brief on economic instruments by SAICM secretariat