

VIRTUAL WORKING GROUP ON FINANCIAL CONSIDERATIONS

TOPICS: SUMMARY OF CONSOLIDATED INPUTS AND PROPOSALS ON ALL TOPICS
DISCUSSED UNDER FINANCIAL CONSIDERATIONS

Summary Report of the 3rd Virtual Meeting on Financial Considerations 20 January 2021 from 14:00 – 16:00 CET

1) Welcome remarks

Welcome remarks were provided by the VWG co-facilitators, Mr. Jonah Davis Ormond from Antigua and Barbuda and Mr. Reggie Hernaus from the Netherlands.

2) Discussion on the text SAICM/IP.4/2, taking into account the written submissions and views presented at the 1st and 2nd virtual meetings of the Virtual Working Group

General views from interventions of meeting participants

Process concerns and clarifications

A number of stakeholders (Canada, CIEL, USA) raised their concerns about this Virtual Working Group not being a place to negotiate text rather it providing an opportunity to understand other participants' views in advance of the negotiations that will take place at IP4 and ICCM5. The stakeholders also pointed out that the use of the word “consensus” was problematic, even when referring to a majority of stakeholders agreeing on an issue, because it gives a false impression that we are engaged in building up consensus, which implies negotiations and in light of the limited number of participants is not appropriate.

A suggestion was made by a participant (CIEL) to have a summary of discussions, which goes beyond text edits, in order to have all proposals of stakeholders, in writing or orally, reflected to help the stakeholders not present during this virtual working group process to orient themselves and prepare for the future negotiations. The summary should not just include the points of convergence identified as it is now but should include all the proposals which were not fully discussed. Others participants (the African group and USA) agreed with the utility of such a document, but one stakeholder (USA) noted that even a summary of discussions could be difficult and may not be completely exhaustive of all the ideas introduced due to the large number of submissions and interventions. He pointed out that we need to figure out a way to make sure that stakeholders are able to effectively follow the process. Another suggestion made by a stakeholder (GAHP) was for the co-facilitators to prepare a unified text on all the VWGs, which would be the co-facilitator's understanding of where we are at the end of the VWG process, and which would sit alongside the text in document IP.4/2 at IP4.

The co-facilitators agreed with the comments made regarding negotiations and consensus. They confirmed and clarified that the process indeed is not to negotiate and certainly not final. They explained that they tried to see if there were similarities in the stakeholders' views with the purpose of facilitating the discussions at IP4. They hope that these preparations, done in close collaboration with all stakeholders, can facilitate the future negotiations deliberations. The co-facilitators and the Secretariat reminded all the stakeholders that summaries of the VWG4's meetings are available on the [SAICM website](#) (under “outputs & recordings”) and for that reason the preparation of a compilation document that would include the written submissions and discussions held during the virtual meetings of this VWG is not being considered.

I. Chapeau to section VII on financial considerations (page 14)

The majority of the stakeholders, with the exception of one (USA), are generally supportive of the co-facilitator's proposal with some modifications.

A stakeholder (Canada) stressed out that the integrated approach to financing is fundamental to the whole idea of resource mobilization and is concerned that the proposed text may be recharacterizing it.

Some stakeholders (Canada, GAHP, UK, USA) showed their support to the addition of "technology transfer on mutually agreed terms" and pointed out that the commas should be edited to better reflect the idea that "mutually agreed terms" applies only to "technology transfer".

A stakeholder (Brazil) suggested replacing "the Strategic Approach and the sound management of chemicals and waste beyond 2020" by the "beyond 2020 framework", as seen by the others VWGs because no common ground was yet found on the future of SAICM.

Many stakeholders (the African group, EU and its member states, GAHP, ILO, ITUC, Norway, and UK) supported the reference to the 2030 agenda and the SDGs. Some participants (Brazil, EU and its member states, GAHP, and USA) proposed to include the reference to the 2030 agenda after the "beyond 2020 framework" or on "the Strategic Approach and the sound management of chemicals and waste beyond 2020", and one stakeholder (USA) disagreed with the inclusion of any reference to the 2030 agenda, explaining that its scope is beyond this body.

II. Clearinghouse mechanism to publicly track development aid (page 14)

Some stakeholders (Canada, EU and its member states) expressed concerns about the feasibility of such a mechanism to track development aid or development assistance, as it is resource intensive. Other stakeholders (the African group, GAHP, ITUC, and Switzerland) noted that although the independent review of SAICM reported that a main reason for failure of meeting the 2020 goal was due to the lack of adequate and sufficient resources, the Secretariat's resources are also currently insufficient and such a problem must be resolved.

Two stakeholders (the African group and Nigeria) highlighted their wish to see "transparency" in terms of the resources needed, so it is clear for everyone that no progress can be done without financing. Nigeria asked for the clearing house mechanism to be clearly articulated under the targets and indicators.

An alternative for this paragraph suggested by one stakeholder (EU and its member states) would be to map funding sources, which would more feasible and would not overlap with the overall development assistance work. Another alternative supported by two stakeholders (Canada, EU and its member states) is for the CHM to "provide information".

GAHP pointed out that asking the Secretariat to track development aid would duplicate the ongoing work being done by the OECD's development assistance committee and GAHP to harmonize statistics on chemicals and waste's development financing. Where the Secretariat could have a value added, she pointed out, would be for the Secretariat to act as a broker to match initiatives that require funding with potential donors, in the same way that the UN Convention to Combat Desertification does it, for example.

III. Mainstreaming (page 15, Section A)

(i) Paragraph 6

Some stakeholders (the African group, GAHP) did not see the value of adding “governments should implement actions in accordance with their national laws, regulations and policy priorities”, as it is what governments normally ought to do. A stakeholder (Iran) underlined that perhaps on some national laws and regulations, having an obligation to integrate the SMCW may not be feasible as financial resources, technical assistance and capacities are required in order to do so.

Some stakeholders (GAHP, UNEP) supported the replacement of “developing countries and countries with economies in transition” with “Low and Middle-income countries”, which is another recognized category and terminology used by the OECD for official development assistance. While other stakeholders (African group, Brazil and Nigeria) wish to retain the reference to “developed and developing countries and economies in transition” for the reasons that when talking about mainstreaming, it should not be only the responsibility of the receiving/importing country but rather the producers’ responsibilities, as well as the responsibilities of developed countries where these industries are located.

A stakeholder (GAHP) suggested simplifying the wordy sentence by simply saying ““Low and Middle Income Countries, the mainstreaming of their national chemicals and waste priorities into the ~~development~~ planning processes for ~~funding as part of~~ official development assistance (...)”, which would make it clearer that it is just a statement of fact.

A suggestion was reiterated by a stakeholder (CIEL) for the Secretariat to implement the recommendation from the evaluation of the integrated approach, to make a formal request to donors to signal clearly, internally and externally, that the sound management of chemicals and waste are a fundamental component of development plans.

(ii) Paragraph 7

Several stakeholders (African Group, EU/MS, GAHP) supported the wording “should mainstream” rather than “strive” for the reasons that it implies action and is consistent with the language used in the integrated approach. Nigeria suggested the verb “encourage” instead of both proposals to go beyond inviting the stakeholders and to actually encourage them to take concrete action.

Another suggestion raised by a stakeholder (GAHP) is to add a contextual sentence in this paragraph on the health impacts of chemical pollution, being particularly severe for vulnerable groups such as women, children and marginalized people, to help persuading development departments that chemicals and waste is also an issue of concern for them.

One stakeholder agreed with the suggestion of “high income countries” and proposed adding “other countries in a position to do so” to have a wider scope of possible donor countries (e.g China), whereas the EU and its member states suggested to replace it with “governments” in order to have a consistency with the previous paragraphs.

IV. Private sector involvement

(i) Reporting on the small group

- a. Capacity building clearing house**
- b. Private sector involvement**

The moderator of the small group that was established at the last virtual meeting of the VWG by the co-facilitators, ICCA, reported back on the process and the discussions carried out on the two areas given to the small group to deliberate on: the proposal on the capacity building clearinghouse and the possible commonalities in the current three paragraphs on private sector involvement. [A report](#) of ICCA on the discussions of the small group provides the same information shared during this meeting.

The stakeholders (the African group, CIEL, ICCA, Iran, ITUC, and Nigeria,) stressed the need for more discussion and broader consideration of the private sector's contribution, beyond the sole capacity building clearinghouse mechanism. In response, ICCA explained that the capacity building clearinghouse proposal is one of a number of interventions for private sector engagement. She mentioned the development of a guidance document on private sector involvement component of the integrated approach to financing and on how it could be operationalized. In this regard, the Secretariat has established a small advisory committee, a representative group of stakeholders, to provide guidance on the development of the guidance document. It was suggested that information on the composition of the advisory group is shared with this VWG to ensure that SAICM stakeholders are represented in a balanced manner. ICCA emphasized that the main focus should be placed on how the private sector contributes to the SMCW, by ensuring strong domestic regulations and fees that are paid by the industry and integrating the costs, as well as the polluter payer principle at the country level.

Some stakeholders (the African group, CIEL) noted their concerns that their proposals were not taken on board and were ignored in the co-facilitators proposed way forwards. They suggested that the private sector involvement to be discussed at greater length and in the VWG with all stakeholders, like any other component of the integrated approach. It was noted that the co-facilitators have not suggested proposals for Section B on private sector involvement and were waiting for this meeting to have a in depth discussion on private sector involvement component of the integrated approach.

One stakeholder (CIEL) in particular expressed his concern about the process being problematic and leading to a situation of severe underfunding and an inability to operationalize private sector's commitment. He questioned the legitimacy of ICCA, an impacted stakeholder, to be the one facilitating conversation on private sector involvement, as well as the fact that only their proposal was discussed.

A stakeholder (GAHP) emphasized the importance of both the private sector involvement and the financing of the Secretariat. The stakeholder suggested discussing both crucial topics and proposed two meetings, one on the private sector and the other one on financing of the secretariat.

A stakeholder (the African group) made a proposal on the private sector involvement, consisting of a 0.5% financial contribution from the annual turnover of the chemical industry to a multilateral fund. The funding would be adequate to fund the Secretariat and the work plans and needs that would have been identified to achieve the sound management of chemicals and waste throughout.

Under this agenda item, the co-facilitators addressed some of the stakeholders' questions and concerns. They explained that the reason they asked ICCA to moderate the small group was because they were the ones who proposed the idea of a capacity building clearinghouse mechanism and who volunteered at IP3 to moderate in a smaller group the discussions on merging the alternative paragraphs on private sector involvement. They recalled that the capacity building clearinghouse is one proposal and not the implementation of the entire private sector involvement component. Hence, there was no reason for questioning the legitimacy of ICCA being the moderator of the small group. They expressed their full agreement that, based on the evaluation report of the integrated approach, the private sector involvement component of the integrated approach needs to be strengthened. They informed the stakeholders that the private sector involvement would further be discussed in the next virtual meeting of the VWG scheduled on the 10 February 2021.

3) Next steps

The next virtual meeting is scheduled for Wednesday, 10 February 2021 13.00-16.00 CET and will further discuss private sector involvement, as well as financing of the Secretariat.