

VIRTUAL WORKING GROUP ON FINANCIAL CONSIDERATIONS

TOPICS: STRATEGIC PARTNERSHIPS, FINANCING THE SECRETARIAT, RESOURCE MOBILIZATION AND COST-RECOVERY MECHANISMS AND OTHER ECONOMIC INSTRUMENTS

Summary Report of the 2nd Virtual Meeting on Financial Considerations 16 December 2020 from 14:00 – 16:00 CET

1) Welcome remarks

Welcome remarks were given by co-facilitators Jonah Davis Ormond from Antigua and Barbuda and Reggie Hernaus from the Netherlands.

2) Meeting information and housekeeping rules

The representative of the SAICM Secretariat provided an overview of the meeting agenda and noted that 11 stakeholders had submitted their electronic feedback before the discussion: Brazil, Canada, EU and its Member States, ICCA, IPEN, Iran, Japan, Norway, OECD, UNEP, and United States of America.

3) Open discussion on the text SAICM/IP.4/2 on Strategic partnerships and Financing the Secretariat

I. Strategic partnerships

There was a general agreement for establishing strategic partnerships to support the implementation of the beyond 2020 framework effectively. Participants expressed the need for transparency and for a set of guiding principles and criteria as key elements to conclude and assess partnerships (i.e. UNDP Guidelines for Private Sector Partner Risk Assessment Tool). Another participant seeks clarification on the meaning of “engaging mechanisms in all sectors” and its implications.

Most of the participants raised concerns about wording choice, which may limit the scope of partnerships in the future. A suggestion supported by most stakeholders was to replace “Issues of Concern” with the “sound management of chemicals and waste”, as well as deleting the linkages to the 2030 Agenda. Another stakeholder suggested adding “existing partnerships” to the text to encourage additional efforts for existing partnerships and not only new partnerships. Finally, one stakeholder proposed strengthening a coordinated framework of action at the international level for partnerships.

II. Financing the Secretariat

a. Views on paragraphs 18 - 22

All stakeholders agreed with the voluntary approach for contributions. However, the term “voluntary” should be used consistently in paragraphs 18 to 22. It could either be used once in an umbrella or overarching paragraph or precede each reference to financial and in-kind contributions. More generally, stakeholders asked to improve the clarity and precision of the language in these paragraphs.

There was general support on an alternative text for this section of the document to address two concerns: the lack of visibility of non-financial contributions and the restrictiveness implied by specifying which group of stakeholders should make the contributions. The idea of the alternative text is to encourage all the stakeholders to make various types of contributions, including in-kind contributions, and to be able to quantify contributions while making them more effective and visible. The proposal is thus to delete the reference to “industry” stakeholders, as well as merging paragraphs 20, 21, 22, indicating three types of contributions: financial contribution, contribution to administrative costs, and contribution to logistical costs. Some stakeholders raised that, however, if we choose to mention in-kind contributions, they should be in line with the rules and guidelines of the UN on the topic and should target effective implementation of the agreement.

Some stakeholders emphasized the need to provide an indicative reference for Government contributions, such as the proposed UN scale of assessment. Indeed, a stakeholder underlined the challenges that governments would face to measure in-kind contributions and, therefore, the importance of having an indicative scale.

All stakeholders highlighted that having a robust Secretariat with adequate, predictable, and sustainable funding is crucial. A stakeholder noted the need for a mechanism to show how much is needed to achieve the desired budget and emphasize the responsibility of each stakeholder group to contribute to the extent to which they can.

Regarding paragraph 20, stakeholders generally support the paragraph's intention and see the value of IGO's support on the work of the Secretariat. However, one stakeholder pointed out the need to have further discussion on the feasibility.

4) Open discussion on Resource mobilization (SAICM/IP.4/6) and Cost-recovery mechanisms and other economic instruments (SAICM/IP.4/7)

III. Resource mobilization

The stakeholders pointed out that the proposed resource mobilization strategy is focused only on funding the Secretariat. Some stakeholders suggested making it broader to cover resource mobilization to implement the future framework and the sound management of chemicals and waste.

One stakeholder mentioned the importance of having a balanced, integrated approach to financing and referred to the lack of information to assess mainstreaming and industry involvement, as noted in the Evaluation Report on the Integrated Approach to Financing (SAICM/OEWG.3/INF/11).

Another suggestion was for the Secretariat to hold one-on-one discussions with each stakeholder group identified in the mapping exercise and have a follow-up joint meeting to share all the views with actual and potential donors.

A stakeholder suggested putting more emphasis on domestic resource mobilization to implement future work, including cost-recovery mechanisms to cover the cost of national administrations.

One stakeholder asked for clarification on the participation of the developed countries. He also stated the need to elaborate further in the document on the private sector's direct financial contribution.

Another point raised by most stakeholders is that the role and functions of the Secretariat are still under discussion as part of the new instrument and, therefore, it may be too early to talk about the Secretariats' enhanced functions included in the proposed strategy.

IV. Cost-recovery mechanisms and other economic instruments

The stakeholders highlighted the importance of cost-recovery mechanisms and other economic instruments for the sustainable financing of national capacities for the sound management of chemicals and waste. They pointed out the need for solutions at a national level through the establishment of cost-recovery mechanisms, rules on “polluter pays” responsibility, or establishing a fee-based chemical management system. Even though this issue is discussed in another virtual working group, one stakeholder showed its support to cross referencing the development of a target on the use of cost-recovery measures and relevant indicators to track countries using cost-recovery measures and fiscal measures for the sound management of chemicals and waste.

However, there is a large imbalance on what countries can achieve through the sole use of national cost-recovery mechanisms. The stakeholders thus argued in favor of a coordinated mechanism that would be put in place at a national level, but which would allow all instruments to have the same direction and to be coordinated to make efforts efficient.

One stakeholder pointed out the need to assess the adoption of cost-recovery mechanisms on a case-by-case basis to assess real possibilities of adoption according to countries' different national capacities. Indeed, he stated that the specific realities of developing countries should be taken into account. Regarding this, another stakeholder underlined the need to give high priority to capacity-building projects, as well as pointed out the many existing tools developed by stakeholders, including UNEP, to help guide countries in transition and developing countries in setting-up such mechanisms to support the development of sound management of chemicals and waste.

5) Explanation of the next Electronic Input Request

The third round of electronic feedback of the VWG4 will be launched from Monday, 21 December 2020 to Monday, 11 January 2021. Comments and inputs will be requested on a **co-facilitators' proposal on alternative text or removal of brackets** based on the written submissions and views presented at the 1st, and 2nd virtual meetings of the VWG4 held on 18 November 2020 and 16 December 2020, respectively.

The proposal from the co-facilitators does not include section B. Private sector involvement, which is being addressed in the small group established under the VWG. Notes of the small group meeting will be shared with the VWG well in advance of its 3rd meeting for further consideration.

Similarly, the views received from stakeholders on the resource mobilization & cost-recovery mechanisms documents must be first processed by the Secretariat to prepare revised versions of both documents and presented in IP4 for consideration.

To provide your electronic input, you may use the set of questions provided by email or on the [SAICM website](#). The next virtual meeting is scheduled on **Wednesday, 20 January 2021 14.00-16.00 CET** on the summary of consolidated inputs and proposals on all topics discussed under financial considerations.