



SAICM/ICCM.2/INF/26

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**International Conference on Chemicals Management
Second session**

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Item 4 (e) of the provisional agenda*

**Implementation of the Strategic Approach to International Chemicals Management:
financial and technical resources for implementation**

**Report on the contribution of the Multilateral Fund for the
Implementation of the Montreal Protocol to the implementation of
the Strategic Approach to International Chemicals Management**

Note by the secretariat

The secretariat has the honour to circulate, in the annex to the present note, a report by the Secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol on the Fund's contribution to the implementation of the Strategic Approach to International Chemicals Management. The document has been reproduced as received, without formal editing, and is provided for the information of the Conference.

* SAICM/ICCM.2/1.

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Annex



MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Secretariat

22 April 2009

Dear Mr. Gubb,

I refer to your letter dated 25 November 2008 inviting the Secretariat of the Multilateral Fund to prepare a report for the second session of the International Conference on Chemicals Management (ICCM), which will be held in Geneva in May 2009, and the subsequent exchange of e-mails between our Secretariats on this issue.

The Executive Committee, at its recently concluded 57th meeting has agreed that a short report be provided for the ICCM briefly covering information on activities supported by the Multilateral Fund that may have contributed to SAICM objectives. Please find this report attached.

As you are aware, I will be participating in the ICCM 2 meeting in May and, if required, will be ready to provide an oral summary to this meeting on the attached report.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Maria Nolan".

Maria Nolan
Chief Officer

Mr. Matthew Gubb
Coordinator, SAICM secretariat
Geneva, Switzerland
Fax: 41 22 797 3460

Enclosure

BRIEF REPORT ON THE CONTRIBUTION OF THE MULTILATERAL FUND OF THE MONTREAL PROTOCOL TO THE IMPLEMENTATION OF THE STRATEGIC APPROACH TO INTERNATIONAL CHEMICALS MANAGEMENT (SAICM)

Background:

1. The Overarching Policy Strategy of the SAICM as adopted at the First International Conference on Chemicals Management (ICCM 1) in February 2006 has, as its overall objective the achievement of the sound management of chemicals throughout their life-cycle so that, by 2020, chemicals are used and produced in ways that lead to the minimization of significant adverse effects on human health and the environment. This objective will be achieved by implementing activities set out in the Global Plan of Action, which covers the following main areas of work:

- Identifying measures to support risk reduction;
- Strengthening knowledge and information;
- Strengthening of institutions, law and policy to promote good governance;
- Enhancing capacity building;
- Addressing illegal international traffic; and
- Improving general chemical management practices.

2. In the same overarching policy strategy, SAICM financial arrangements include, *inter alia*, “making more effective use of and building upon existing sources of relevant global funding including by inviting the Multilateral Fund within its mandate to consider whether and how it might support implementation of appropriate and relevant SAICM objectives and to report to the ICCM.”

3. This short paper is prepared as a report to the Second Session of the International Conference of Chemicals Management upon invitation by the SAICM Secretariat.

The Multilateral Fund and SAICM Objectives

4. At its 49th Meeting, the Executive Committee of the Multilateral Fund agreed on decision 49/1(c) with regards to SAICM, which states to “bring the attention of the Ozone Secretariat prior to the Eighteenth Meeting of the Parties, the invitation by the first session of the International Conference on Chemicals Management (ICCM) to the Montreal Protocol and its Multilateral Fund to consider whether and how these might support implementation of appropriate and relevant strategic approach objectives within their mandate and report to the ICCM.” This decision was conveyed to the 18th Meeting of the Parties for their action. At that time the Parties to the Montreal Protocol did not address this issue.

5. The Parties to the Montreal Protocol established, at their 2nd Meeting in 1990 a financial mechanism according to Article 10 of the Montreal Protocol to provide financial and technical assistance to countries operating under Article 5(1) of the Montreal Protocol (developing countries) to enable them to comply with the phase-out of ozone-depleting substances (ODS)

following the control schedule under the Protocol. In implementing this mandate the Multilateral Fund for the implementation of the Montreal Protocol, since 1991, has approved US\$2.3 billion for activities that have contributed towards phasing out the consumption and production of ozone depleting chemicals in over 140 countries.

6. Most of these funded activities include elements similar to those in the SAICM Global Plan of Action, recognizing that all of the Fund's work is related to ozone protection. Taking into consideration the activities listed in paragraph 1 above, the projects funded by the Multilateral Fund have contributed to the objectives of SAICM as shown below:

- Supporting **risk reduction**, as the projects funded and approved by the Multilateral Fund promote the phase-out of chemicals that pose a **risk** to the ozone layer, human health and environment;
- The Multilateral Fund ensures **knowledge and information sharing** through the operation of an information clearinghouse for the Montreal Protocol as well as a Compliance Assistance Programme;
- Training of customs officers and harmonizing customs codes for ODS are important activities that **promote knowledge and information sharing**, and encourage a stricter **monitoring of illegal trade in ODS**;
- Implementation of activities in countries are supported by approved national action plans (country programmes or strategic phase-out plans) that are prepared with broad stakeholder agreement through consultations and discussions thereby promoting **stronger governance** in the country;
- Most projects funded under the Multilateral Fund promote **good governance** by requiring countries to enact ozone protection regulations and enforce import and export licensing systems to regulate the movement of ODS across national borders to **prevent illegal trade in ODS**;
- **Capacity building** of the government institutions responsible for ozone protection is created through funded national ozone units (NOU) covered by institutional strengthening projects in each country. These units own and oversee the national programme of phasing out ODS consumption and production according to the Montreal Protocol's requirements;
- Training in good service practices for refrigeration technicians promotes safe handling of ODS during servicing and disposal of equipment and promotes **capacity building** of those stakeholders involved in ODS phase out; and
- Regional enforcement networks in at least 4 regions have been established to facilitate joint meetings between Customs Officers and the Ozone focal points to exchange information and enable the **monitoring of illegal international traffic** in ozone depleting chemicals.

7. The capacities so created and strengthened have been instrumental in achieving the success of the Montreal Protocol to date in developing countries. While these capacities have been funded in line with Article 10 of the Montreal Protocol and created to achieve the objectives of this Treaty, they embody the objectives of SAICM, and promote a synergy of activities in a number of instances. For example, in many countries, both agreements share national focal points therefore facilitating coordination of national activities in the country on chemicals management. Taking into account the success of the Montreal Protocol and its twenty years of experience in achieving its goals, SAICM could consider looking to the implementation mechanisms of the Multilateral Fund as it develops its own approaches. For instance, the concept of national ozone units/regional groupings have been effective operational models for ozone protection and may be effective for implementing SAICM objectives.

8. The experience and lessons learned under the Montreal Protocol in data collection and reporting, drafting and enacting import/export licensing systems, activities related to harmonisation of customs, and training of customs officers, among other implementation modalities could inform SAICM participants.

9. With the above, it is evident that the actions under the Multilateral Fund have proven to support many, if not all, SAICM objectives. However, it is difficult to consider other actions under the Multilateral Fund that are designed to specifically to support SAICM objectives because of the Fund's well defined mandate under the Montreal Protocol that limits the use of the Fund to providing support to implement commitments under the Protocol. Any closer collaborative actions would require careful examination of the legal, administrative and financial implications of so doing at an appropriate level, such as that of the Meeting of the Parties to the Montreal Protocol.
