

## Financial considerations <sup>[1]</sup>

### 1. Integrated approach to financing

1. The implementation of the integrated approach to financing for the sound management of chemicals and waste, which was designed and agreed as a [long-term](#) contribution beyond 2020, continues to be essential [to achieve the goals and targets of the 2030 Agenda for Sustainable Development] [and to bridge the widening gaps in the capacity to address sound management of chemicals and waste between developed and developing countries]. [it is recognized that the sound management of chemicals and waste is necessary for countries, and [may] require[s] technical and financial support].

2. [A clearinghouse mechanism should be established under the secretariat of (the agreement) to publicly track development aid for the sound management of chemicals and waste]

3. [All stakeholders agree to establish 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.]

4. All three components of the integrated approach to financing, i.e. mainstreaming, private sector involvement and dedicated external finance, are equally important and mutually reinforcing.

5. Stakeholders shall take steps to implement an integrated approach to financing the sound management of chemicals and waste, including, in particular, making tangible progress with respect to the following three components:

#### A. Mainstreaming

6. Governments should implement actions to promote further mainstream the sound management of chemicals and waste in national development plans, domestic budgets and relevant sector policies. For developing countries and countries with economies in transition, the mainstreaming of their national chemicals and waste priorities into the development planning processes for funding as part of official development assistance [may] [will] [should] increase their access to [significant] funding for national priorities in relation to chemicals and waste.

7. [Countries should [strive] [seek] to mainstream the sound management of chemicals and waste into their development aid priorities.] [Governing bodies of international, regional and national development banks are encouraged to also expressly integrate sound management of chemicals and waste activities in the scope of activities they fund.]

#### B. Private-sector involvement

8. [\[-Production, consumption and sound disposal of chemicals and their end of useful life create financial burden on government and society. This financial burden results from negative externalities from the industry negative externalities\].](#) [[Private-sector entities throughout the value chain [should] increase their [financial] contributions to the implementation of the sound management of chemicals and waste, in order to [avoid, or where not possible mitigate] [cover the costs of] their impacts on the environment and on health.] [\[Base chemical manufacturers commit to their contribution to the sustainability of and innovation in the chemical industry through a rate of 0.5% of their annual turnover for the sound management of chemicals and wastes beyond 2020.](#) These contributions (eg. through agreed levies) [in an established International Fund](#) should

seek to finance, among others, the identification and communication of hazards, comprehensive risk assessment and the measures for its mitigation, strengthening of all stakeholder's technical capacity, implementing PRTRs, prevention of exposure, the attention of exposed communities [, compensation for resulting environmental and human harms] and contaminated sites remediation.]]

9. [The private sector [shall] [should] [comply with] [implement] extended producer responsibility.] [Governments should also implement actions to further encourage industry involvement in the integrated approach, including the development of legislation on the responsibilities of industry and national administration; the provision of incentives for the sound management of chemicals and waste; and the promotion of measures by industry to internalise costs [using economic instruments to recover and shift costs to private from public sector] [,including the polluter pays approach] [as per the polluter pays principle].

10. [Private-sector entities throughout their investment and [value chain] [supply chain] should increase their contributions to the implementation of the sound management of chemicals and waste through a range of approaches and partnerships. ]

ALT 10 [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.]

[10.Bis: Governments agree to develop a mechanism instituting a globally coordinated fee of 0.05% on the sales of a limited number of basic chemicals \(or chemical feedstocks\). Governments agree to allocate the proceeds of this globally coordinated fee to the international fund mentioned in paragraph 13.](#)

11. [The financial sector is asked to develop guidance for investing in companies that have chemicals management schemes in place[, for example, the development of loan criteria for sustainable banking].]

ALT 11 [Invites the financial sector to develop guidance and recommendations for investors to minimize economic risks associated with unsound chemicals and waste management, with the goal to facilitate investment flows towards safer chemicals and waste management, including through the development of sustainability-centered loan criteria for the banking sector engaged with companies in the chemicals and waste sector and associated sectors.]

### C. Dedicated external financing

12. [Stakeholders should [secure funds] [further strengthen the component of dedicated external financing], including development assistance aid, from innovative donor sources, which can be facilitated by mainstreaming at the national level.]

13. [All stakeholders agree to the establishment of an International Fund to implement the Sound Management of Chemicals and Waste, which should be accessible to all stakeholders [and sectors] and should provide support to developing countries, in the form of grants[, guarantees and loans]; comprised of

financial resources provided by the private sector, governments in a position to do so, development banks, philanthropic entities, venture capital, and all other stakeholders.]

14. [All stakeholders agree to initiate the process of implementing the International Fund at ICCM5.]

15. [Donors should [continue to] provide dedicated external financial contributions for the provision of adequate, predictable, and timely financial resources to the financial mechanism to support developing countries, stakeholders and countries with economies in transition in implementing the new agreement. ~~-, The financial mechanism hereby defined should include:~~  
~~(a) The Quick Start Programme Trust Fund to support implementation of and address the issues of concern~~  
(ab) The Global Facility Trust Fund; and  
~~(bc) A new -specific- international Programme Fund to including, for example, resources to support the Global Environment Facility and other multilateral, regional and bilateral sources of financing, and to support the effective implementation of the Special Programme to~~ support institutional strengthening at the national level for the implementation of the Basel, Rotterdam and Stockholm conventions, the Minamata Convention and the Strategic Approach to International Chemicals and Waste Management.]

16. [All stakeholders recommend to UNEA that the Special Programme should be reformed to adjust to the multi-stakeholder, multi-sectoral nature and scope of the Strategic Approach.]

## 2. Establishment of and engagement in multisectoral partnerships

1. Stakeholders are encouraged to create and implement multi-sectoral [transparent and accountable] partnerships [linked to the 2030 Agenda] to effectively address specific chemicals and waste [issues of [international] concern]. Stakeholders are also encouraged to explore funding opportunities by engaging mechanisms in all sectors.

## 3. Financing the secretariat

1. [A core budget for the beyond 2020 instrument is identified covering staff costs for non-seconded staff, office costs and travel costs, for the secretariat, conference services and meetings. The core budget is financed by voluntary contributions from the government and industry stakeholders.

2. Before the start of each year the secretariat invites each government stakeholder, via its national focal point, to make a voluntary financial contribution and provides a figure showing what that contribution would be according to the UN scale of assessment. Countries are encouraged to contribute at least this amount.

3. Inter-governmental Organization stakeholders support the work of the secretariat inter alia by contributing human resources, including through secondment as appropriate, and sector related work of the secretariat. The expected contributions are defined at the beginning of the budget cycle by an agreement between the respective organization and the secretariat.

4. Private sector stakeholders support the work of the secretariat through a ~~substantial voluntary financial contributions~~ [substantial voluntary financial contribution](#). Private sector stakeholders may also contribute in kind through human resources, including through secondments, hosting meetings, support for production and dissemination of outputs of the beyond 2020 instrument. The expected contributions are defined at the beginning of the budget cycle by an agreement between the respective organization and the secretariat.

5. Civil society stakeholders support the work of the secretariat inter alia by contributing human resources, including through secondments, hosting meetings or contribution for production and dissemination of outputs of the beyond 2020 instrument. The expected contributions are defined at the beginning of the budget cycle by an agreement between the respective organization and the secretariat.]

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[1] Text developed at IP3.

