VIRTUAL WORKING GROUP ON FINANCIAL CONSIDERATIONS

SET OF QUESTIONS FOR ELECTRONIC FEEDBACK No. 2

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

Note: Please submit your responses/feedback to the questions below to the SAICM Secretariat at saicm.chemicals@un.org, with a copy to eduardo.calderapetit@un.org on or before Friday, 11 December 2020. You may use this word document to submit your inputs and can use track changes if needed. Please indicate your name and organization.

A) STRATEGIC PARTNERSHIPS

(i) Views on the purpose and objectives of strategic partnerships to support the implementation of the beyond 2020 programme of work;

(ii) Views on text SAICM/IP.4/2, page 16, paragraph 17. Views are requested only on the brackets, noting that discussions on some of the brackets are taking place in other Virtual Working Groups.

Paragraph 17:

Stakeholders are encouraged to create and implement multi-sectoral partnerships [linked to the 2030 Agenda] to effectively address specific chemicals and waste issues of international concern and targets of the beyond 2020 framework, as well as the sound management of chemical substances and products throughout their life cycle. Stakeholders are also encouraged to explore funding, technical assistance and technology transfer opportunities by engaging mechanisms in all sectors.¹

B) FINANCING THE SECRETARIAT

(i) Views on the modalities (core budget and contributions of all stakeholders) for financing the Secretariat;

(ii) Indicate your views on text SAICM/IP.4/2, page 16, paragraphs 18 - 22.

Paragraph 18:

We agree with the idea of having a core budget financed by voluntary contributions. However, those contributions should also encompass capacity-building and technical assistance activities, especially in developing countries, based on the proposed role to played by the Secretariat (section C within “institutional arrangements” in SAICM/IP.4/2). In addition, we think contributions should be open to all stakeholders. In this regard, we believe item (f) of SAICM’s Overarching Policy Strategy (OPS) should guide the provisions of this paragraph: "Inviting Governments and other stakeholders to provide resources to enable the secretariat of the Strategic Approach to fulfill the tasks set out in paragraph 28, including by: - inviting UNEP to arrange for the adaptation and reinforcement of the existing voluntary trust fund to support these tasks; - inviting all countries and regional economic integration organizations to contribute; - inviting the

¹ Please note that the brackets [linked to the 2030 Agenda] and [issues of [international] concern] are subject to discussions in other Virtual Working Groups.
private sector, including industry, foundations and other non-governmental organizations, to also contribute.”

Paragraph 19:

Paragraph 20:

Paragraph 21:

As previously stated by GRULAC countries in written comments about the Integrated Approach to financing: “We consider that, at the international level, financial contributions from private sector should be of a voluntary nature. Financial support from the private sector should be explored and encouraged, avoiding mandatory language. Any mandatory contribution from the private sector should be the object of internal legislation in the countries concerned.”

Paragraph 22:

C) RESOURCE MOBILIZATION

(i) General views on the proposed resource mobilization strategy (SAICM/IP.4/6) so that it may be further developed for IP4/ICCM5.

Please provide short statements or proposals on the following sections:

(i) proposed role of the SAICM Secretariat beyond 2020

From our perspective, promoting and facilitating the implementation of the beyond 2020 framework, including capacity-building and technical assistance, especially for developing countries, should be one of the core pillars of the role to played by the Secretariat. According to Global Chemicals Outlook II, “addressing legislation and capacity gaps in developing countries and emerging economies remains a priority” beyond 2020, so we think this task should be enrolled in section C of “institutional arrangements” in SAICM/IP.4/2.

(ii) proposed strategy and mapping of stakeholder groups

We believe all stakeholders, including middle-income countries and the private sector, should be invited to make financial contributions on a voluntary basis. Based on each stakeholder’s capacity, other types of in-kind voluntary contributions would also be welcomed by means of secondments of staff, data collection, qualified scientific production on chemicals substances and their risks to human health and the environment, organization of meetings and support for production and dissemination of outputs of the beyond 2020 framework, for example.

(iii) outreach and communications

(iv) additional lessons learned to inform the further drafting of the proposed resource mobilization strategy
D) COST-RECOVERY MECHANISMS AND OTHER ECONOMIC INSTRUMENTS

(i) General views on the cost recovery mechanisms and other economic instruments for financing of the sound management of chemicals and waste (SAICM/IP.4/4/7) so that it may be further developed for IP4/ICCM5.

Brazil welcomes document SAICM/IP.4/4/7, which is an all-encompassing and valuable compilation of experiences around the world. It may be helpful in adding choices to national governments regarding cost-recovery mechanisms and economic policy instruments to finance the sound management of chemicals.

Especially about cost-recovery mechanisms, the vast majority of examples come from developed countries, which shows the difficulty to implement those mechanisms. Some of them were removed after a short period of implementation as they negatively affected competition in international trade, considering the fact that not every country adopted those added costs internally. Furthermore, it is worth to mention that cost-recovery mechanisms have never been able to cover the full cost of inspections and other governmental services. In all cases, government budget was necessary to complement the cost.

If there will be specific pathways for cost-recovery mechanisms, this debate should be deepened. The capacity of developing countries to implement those mechanisms has to be taken into account, as well as potential consequences to international trade.

Brazil already supports the polluter-pays principle and the extended producer responsibility in its legislation regarding environmental harm in general (not only related to chemicals), but specific measures have to be studied on a case-by-case basis to assess real possibilities of adoption.

Fees and subsidies are not generally applied to chemicals, but there are a few cases that need to be considered, such as in the field of agrochemicals.

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.4/6 Draft proposal for a resource mobilization strategy

SAICM/IP.4/7 Review of cost recovery mechanisms and other economic instruments for financing of the sound management of chemicals and waste