Canada’s Feedback

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 [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.¹

**Suggested text edits:**

**Paragraph 17:** 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] issues identified for action in the beyond 2020 programme of work. Stakeholders are also encouraged to explore funding opportunities by engaging mechanisms in all sectors.

**Comments:**
Reference to the 2030 Agenda is not necessary.
We suggest that partnerships focus on agreed areas of work under the new Instrument.

B) FINANCING THE SECRETARIAT

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.
(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.

**Overall comments:**
Canada notes that the term “voluntary” is used inconsistently in paragraphs 18 to 22. All contributions are voluntary and “voluntary” should either used once in an overarching or umbrella paragraph, or it should precede each reference to financial and in-kind contributions. Canada also prefers the broader term “in-kind” resources instead of “human resources”.

Canada finds that paragraphs 20 to 22 defining the contribution roles and responsibilities of different stakeholders to be similar and overly repetitive and we suggest below a single, Alternative paragraph that broadens the reference to “all stakeholders and streamlines the text.

**Suggested text edits:**

**Paragraph 18:**
[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.]

**Paragraph 19:**
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.

**Alt to Paragraphs 20-22:**
All stakeholders support the work of the secretariat by voluntarily contributing financial and in-kind resources, as appropriate, including *inter alia* through secondments, hosting meetings, supporting sector participation at meetings, awareness campaigns, for contributions to projects, or contribution for production and dissemination of outputs for the beyond 2020 instrument. Where possible, the contributions are defined at the beginning of the budget cycle by an agreement between the respective organization and the secretariat.

**Paragraph 20:**
Inter-governmental Organization stakeholders support the work of the secretariat *inter alia* by voluntarily contributing *human* *in-kind* resources, including through secondment as appropriate, organization of meetings, supporting sector participation at meetings, awareness campaigns or *formal contributions to projects* and facilitating 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.

**Paragraph 21:**
Private sector stakeholders support the work of the secretariat through a substantial voluntary financial contributions. Private sector stakeholders may also contribute in-kind contributions 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.

Paragraph 22:
Civil society stakeholders support the work of the secretariat inter alia by voluntarily contributing human in-kind 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.

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.

Overall comments:
1) Our understanding is that OEWG3 gave general instructions to the Secretariat to develop a proposal for a resource mobilization strategy to be presented at ICCM5 for its consideration. The instructions are broad in scope and do not indicate that the strategy should be limited to identifying funding sources for the Secretariat. We are therefore surprised that the primary focus of the proposed resource mobilization strategy is mobilizing resources for the Secretariat and its functions, as opposed to a broader approach to mobilizing resources to assist implementation of the ICCM work programme within the Integrated Approach to Financing. Clearly a capable, sufficiently resourced Secretariat is important, but attracting resources beyond a base level will be difficult if it is seen as providing administrative support over programme delivery.

2) Canada notes that the Evaluation report on the Integrated Approach to Financing (SAICM/OEWG.3/INF/11) indicates a lack of necessary information to compile a robust assessment of the mainstreaming and industry involvement, two of the three integral elements of the integrated approach:
   - **Mainstreaming**, there is a lack of baseline information and monitoring on the levels of financial and in-kind contributions at the national level.
   - **Industry involvement**, not all activities are being tracked and evaluated; and no clarity or agreement on what should count as industry contributions.

The conclusions and lessons learned section of the proposed resource mobilization strategy (SAICM/IP.4/6) also identifies that currently there is limited, or no tracking or value given to in-kind contributions (convening meetings) or self-paid ticketing made by stakeholders to SAICM processes.

Canada believes that it would be useful to consider the Evaluation’s recommendations on improving information to clarify, measure and report on the mainstreaming and industry involvement components of the integrated approach and that the Evaluation report’s identified concerns and the lessons learned in SAICM/IP.4/6 should be addressed in a revised draft resource mobilization strategy for IP4/ICCM5, so that a strategy includes a robust approach to all three elements of the Integrated Approach. **The Secretariat’s role** in improving information on mainstreaming and industry involvement should also be considered.

Please provide short statements or proposals on the following sections:
(i) proposed role of the SAICM Secretariat beyond 2020

**Suggested text edits:**

RE: 3(ii) To promote and facilitate the implementation of the [beyond 2020 instrument] [sound management of chemicals and waste], including capacity-building and technical assistance;

The entire text on possible and proposed enhanced functions should be placed in square brackets, pending agreement on areas of the new Instrument that might require enhanced activity by the Secretariat.

Comments:

RE: 3(ii): The Secretariat’s role should be defined by the nature of the new instrument.

RE: Possible and proposed enhanced functions:

First, we note that items (ii) Enhanced and wider participation in meetings organised by the secretariat and (iii) Increased staffing are not phrased as functions.

Second, in (iii) the discussion on the number of staff required should come after its functions are agreed upon, as the level of staffing (and whether it should be increased) should be commensurate with the level of ambition of the new Instrument. For example, certain activities, if agreed upon, would be expected to be resource-intensive, such as decreasing time between ICCM meetings, addition of subsidiary bodies; increased Secretariat support for delivery of capacity-building and technical assistance.

This whole section appears repetitive and superfluous since the potential functions of the Secretariat are already clearly defined under C 1. (i) to (viii) of IP.4/2. The secretariat should instead focus on better describing the impact of the proposed additional functions on the Secretariat capacity to deliver.

(ii) proposed strategy and mapping of stakeholder groups

**Comments:** The proposed resource mobilization strategy identifies and proposes actions for a full range of groups which have the potential to provide resources, either financial, in-kind or both: developed countries; developing countries; multilateral entities, UN partners and intergovernmental organizations; UNEP; civil society organizations; and industry associations and businesses. However, it provides limited concrete avenues/options on how to better solicit contributions and leverage synergies/resources with other sectors.

We note that in the conclusions and lessons learned section of the document, there is a suggestion that: *holding a donor meeting could be an opportunity for donors to exchange views on possible strategies and means for strengthening the financial base for SAICM implementation.*

Canada supports such a discussion, but believes that a “donor” meeting risks limiting engagement to governments and others already providing funds. Such a meeting also risks excluding some groups that SAICM is trying to reach, and potentially also exclude donors providing in-kind contributions which either cannot be, or are not being, tracked. **We suggest that the Secretariat hold one-on-one discussions with each of the stakeholder groups identified in the mapping exercise,** to gain insights and ideas on how they could contribute enhancing resource mobilization for the goals of the new Instrument. *This could perhaps be followed by a larger meeting of all groups* to facilitate a full discussion amongst current and potential donors.
(iii) outreach and communications

**Comment:** *We would like to request clarification* on how the Secretariat envisions using different platforms (ex: SAICM Knowledge) while avoiding duplication.

(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.4/7) so that it may be further developed for IP4/ICCM5.

**Comments:**
Canada supports the polluter pays principle, which is included in the *Canadian Environmental Protection Act, 1999* (CEPA 1999). Under this principle, users and producers of pollutants and wastes should bear the responsibility for their actions. Companies or people that pollute should pay the costs they impose on society.

Further, we note that UNEP Governing Council Decision 27/12 establishing the Integrated Approach to Financing, invites Governments to 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 sound chemicals and wastes management, and promotion of measures by industry to internalize costs as per the polluter pays principle.

Canada therefore appreciates the outline and presentation of the many economic policy instruments, focusing around cost recovery and fiscal measures, including benefits and challenges, found in SAICM/IP.4/7. We note (on page 9 of the document) that UNEP has produced guidance highlighting that implementation of cost recovery measures offers governments—even low-income countries—the opportunity to mobilize new, predictable and steady sources of financing to cover costs of national administration for chemicals control; and that clear and predictive regulatory frameworks for chemicals management is an asset for businesses in any location and has not been shown to result in the relocation of businesses.

Canada suggests that stakeholders collectively explore opportunities for the use of cost recovery measures and fiscal measures outlined in the Summary and Conclusion section of SAICM/IP.4/7. *Perhaps the recently established small group under this VWG to advance discussions on private sector involvement, or an alternative arrangement of experts on economic/fiscal tools from within stakeholder groups, could reflect on practical approaches* to advance cost recovery measures within the Beyond 2020 instrument, particularly at the national level.

Recognizing that SAICM/IP.4/7 notes that there is a limited understanding of the impacts of cost recovery mechanisms and other economic instruments, *we also suggest that consideration be given to develop indicators of cost recovery mechanisms and other economic instruments* that industry, governments, academia, multilateral organizations such as OECD, and other stakeholders...
could use to better track and recognize the contributions of the private sector individually and the public and private sectors at the macro-economic level.

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