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.

Feedback by EU and its Member States
8 Dec 2020

Please note, the CoR does not contain paragraphs numbered 17 ff. in chapter VII on financial considerations. It is assumed that the paragraphs mentioned below follow the order of sections 2 and 3 in chapter VII of the CoR.

A) STRATEGIC PARTNERSHIPS

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

Partnerships are of importance for implementing the beyond 2020 instrument. Many issues have to be considered and coordinated to be resource efficient while avoiding pollution and ensuring a circular economy with non-toxic material cycles at the same time. To do so highly depends on collaboration, partnerships, coordination and on an exchange of knowledge. Insofar, partnerships should be developed and maintained for specific and dedicated tasks supporting the implementation of the beyond 2020 framework as a whole.

Regardless of their importance for achieving the objectives of the new framework as well as the SDGs, further clarification why paragraph 17 mentioned below should be placed in the chapter on financial considerations would be welcome.

(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 the sound management of chemicals and waste. Stakeholders are also encouraged to explore funding opportunities by engaging mechanisms in all sectors.1

Deleted: specific
Deleted: [issues of [international] concern]

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.
EU+MS suggest to modify the first sentence of para 17 as proposed to not limit the scope of partnerships. Furthermore, a clarification is needed for the meaning of *engaging mechanisms in all sectors* and what the implications for stakeholders might be in this regard.

Additionally, it would be appreciated to discuss an explicit reference of the finance and investment sector in the chapter on financial considerations, as one of the main drivers for development into one or another direction and as the highlighting of this sector as relevant of SMCW would be relatively new.

### B) FINANCING THE SECRETARIAT

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

EU+MS welcome and in principle support the draft recommendations for more sustainable and predictable funding of the Secretariat. Any approach in this regard should remain voluntary but having an indicative character at the same time. Hence, EU+MS support to encourage governmental stakeholders to voluntarily contribute to the financing of the Secretariat, thereby using the UN scale of assessment as a reference. As all stakeholders need to contribute to the financing of the Secretariat, a similar approach for encouraging contributions by non-governmental stakeholders for funding of services provided by the Secretariat should be agreed upon as well. The basis for such an approach should be further discussed.

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

**Paragraph 18:** To enable and encourage contributions by *all stakeholders*, *industry* should be replaced by *all* in the second sentence of para 18.

**Paragraph 19:** As mentioned above, EU+MS support an approach that is voluntarily but at the same time with an indicative character leading to a fair distribution of the financial burden amongst all stakeholders. EU+MS also support applying the proposed UN scale of assessment as the reference for determining indicative contributions for governments. However, further discussion is needed regarding which part of the budget would be used to estimate the governments’ voluntary contributions and other stakeholders’ respectively.

Finally, the reference in para 19 should be to *governments* instead of *government stakeholders*, in accordance with the previous paragraphs.

**Paragraph 20:** EU+MS support the intention and see the value of IGO’s support for the work of the Secretariat, in particular through providing human resources, as this promises the envisaged closer cooperation and coordination between these organizations in the context of the sound management of chemicals and waste. However, the feasibility needs further discussion with the representatives of the most relevant IGOs incl. their governing bodies.

**Paragraph 21:** EU+MS support the paragraph but propose some editorial modifications: “a” between *through* and *substantial* at the beginning of the paragraph should be deleted. Furthermore, EU+MS suggest to replace *respective organization* at the end of the paragraph with *respective stakeholder*. Finally, a reference for the determination of indicative contributions by non-governmental stakeholders should be developed and incorporated into the text, too.
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

In principle, the SAICM Secretariat beyond 2020 should be strengthened. However, the future role and functions of the Secretariat is discussed in various groups of the Intersessional Process and the outcome of these discussions should be awaited to get a clear and comprehensive picture of the Secretariats' role and functions, as well as the related implications thereof. In any case, the disconcerting findings of the Independent Evaluation reveal the need for reconciliation of stakeholders’ expectations and contributions to the Secretariat. This needs to be taken into account when deciding on the final agreement on the Secretariats’ future role and functions. The approach proposed in the paragraphs 19 and 21 mentioned above combined with further stakeholder commitment on contributions before ICCM resolves the future functions of the Secretariat might be a promising way forward in this regard.

(ii) proposed strategy and mapping of stakeholder groups

The proposed strategy is welcome and the proposed actions are necessary also to significantly enhance the implementation of sound management of chemicals and waste in all relevant sectors at all levels. There should be a clear distinction in the proposed strategy regarding the resource mobilization for the Secretariat and resource mobilization for the implementation of the sound management of chemicals and waste. In the draft recommendation to be submitted to ICCM5, more emphasis needs to be placed on domestic resource mobilization for the implementation of the new framework, including cost-recovery mechanisms to cover the costs of national administrations. In addition, it might be useful to further examine the potential obstacles for closer cooperation and increased contributions, in particular in relation to the IGOs. Where appropriate, the evaluations of SAICM and of the Integrated Approach should serve as basis therefore.

Without prejudice to the outcome of this ongoing discussion, it is of high importance for implementing the future framework that the Secretariat continues to strengthen the collaboration with and coordination between the IOMC organizations and further relevant UN bodies and their secretariats.

(iii) outreach and communications

Further discussion of the proposals for outreach and communication is welcome. Whereas the need for improvement and raising of high-level awareness is uncontroversial, it might be falling short to get this narrative communicated by the Secretariat or UNEP alone. It is more promising to do this in cooperation with the other IOMC organizations, other relevant and interested IGOs and the MEA secretariats, in the way of a coordinated and common outreach clearly showing the need and value of SMCW and its cross-sectoral linkages for achieving many of the SDGs. In this way it might be possible to get greater attention outside the chemicals and waste cluster, in other parts of the environmental sector and in particular in all other relevant sectors.
A good example in this context is the IOMC paper "Chemicals and Waste Management: Essential to achieving the Sustainable Development Goals (SDGs)". Such an approach of common publications should serve as best practice for communicating the narrative of SMCW. It should be noted however, that a wider spreading of outreach and communication on SMCW among stakeholders in the different sectors remains necessary.

(iv) additional lessons learned to inform the further drafting of the proposed resource mobilization strategy

EU+MS took note of the findings and agrees to the conclusions and lessons learnt illustrated in chapter 6 of SAICM/IP.4/6 to increase contributions. In addition, EU+MS want to refer to the proposals made above related to paragraphs 19 and 21, on stakeholder commitment in advance as well as on a common outreach by the Secretariat, the IOMC and other relevant organizations and players. They key to raise the necessary cross-sectoral awareness at the highest level in governments, industry and civil society organizations.

EU+MS took note of the suggestion to establish a platform for pledges to support the implementation of certain commitments linked to specific targets or issues. In our view this idea needs to be further elaborated upon. EU+MS are ready to contribute to these discussions.

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.

EU+MS welcome and thank the Secretariat for the useful overview. Cost recovery mechanisms and other economic instruments are crucial for the sustainable financing of institutionalized capacities for the sound management of chemicals and waste. Hence, it is necessary for governments to deal with the different options, its challenges and burdens. In this regard, the review gives a valuable first impression and illustrates the need for solutions at national level.

Cost recovery measures and the polluters pay principle are important parts of the private sector involvement component in the integrated approach for long-term funding of SMCW. The EU&MS would like to encourage each country to consider establishing mechanisms for cost recovery and rules on polluter responsibility in their national law. In this regards the UNEP LIRA guidance serves as a valuable source of information. In addition, EU+MS would like to note that in principle the Special Programme could contribute to the establishment of such institutional structures in recipient countries.

The EU&MS are supportive to the suggestions in the review to develop a target referring to the use of cost recovery measures and/or a baseline and relevant indicators to track countries using cost recovery measures and fiscal measures for sound management of chemicals and waste.

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