IPEN Submission on Financial Considerations
January 11, 2021

I. Introduction

This submission is in response to the final call for stakeholder submissions on Financial Considerations as part of the Virtual Working Group (VWG) on this topic in the Beyond 2020 process. The co-facilitators have asked for feedback on their recommendations to remove brackets from the draft text that was the outcome from IP3.

Before providing direct responses to the questions raised, IPEN would like to make the following introductory remarks and express its serious concerns at the ongoing process.

IPEN is concerned that there is no acknowledgment of the fact that discussions in the virtual working group were limited to only a relatively small number of SAICM stakeholders, and that recommendations to remove brackets are presented, even *sub-silencio*, as reflecting consensus among stakeholders. We, and many other stakeholders raised concerns when the virtual working group process was being discussed and introduced about the obstacles to participation faced by many stakeholders during the Covid-19 pandemic, including disproportionately those from developing countries and civil society organizations. We were assured publicly that these discussions were meant only to provide an opportunity for exchange of views among those able to attend—and so would not result in changes to text. We do not believe it is in keeping with the spirit of these assurances for the co-facilitators to recommend changes to negotiating text, which recommendations will surely then become the starting point for discussions whenever the in-person IP4 is able to be convened.

Noting that the Co-chair’s scenario note for the path forward to develop recommendations for submission to ICCM5 indicate that the VWG are “are intended to further build understanding and prepare delegates for these important negotiations”, we believe that it would be more appropriate for the co-chairs to provide a summary of discussions and suggestions in a separate document to IP4 participants, rather than direct text edit suggestions. This solution would better reflect the stated objectives of the VWG, and would further allow all SAICM stakeholders, (most of whom did not participate in the work of the VWG) to better understand the content and context of VWG discussions and suggestions made during the meetings of the VWG. This is essential to allow all stakeholders to best prepare their participation in the upcoming negotiations, which is exactly what the VWG were set up for.

Further, we wish to note, in regards to the introductory statement that “*The co-facilitators have not suggested proposals for Section B. Private sector involvement. The outcome of IP3 on this section was addressed in the small group, established under the VWG, and which met on 17 December 2020, moderated by ICCA*” that far more discussion of the future contours of private-sector involvement pursuant to the Integrated Approach to Financing took place during the first meeting of the virtual working group than during this small group (which saw an even smaller participation than the meetings of the VWG). It is therefore both inaccurate and inappropriate as a matter of history to refer to the small group as the main locus for discussions on this topic. While, in keeping with the above, we believe it is appropriate not to recommend removing any brackets from the section on private-sector involvement at this time, we do not wish for the discussions in the small group to be presented in any way as the sense of the parties present for the virtual working groups. We would finally like to reiterate concerns expressed both in the VWG and bureau meeting, relating to entrusting the facilitation of the discussion relating to private sector involvement to the private sector as an obvious case of conflict of interest. This approach was already explored in Bangkok during IP3 (despite concerns being raised at the time) and did not allow any noticeable progress. Nor does such deference to industry to lead discussions of its financial responsibility for chemicals management accord with the general right and responsibility of government to regulate industry for the public safety.
With the above reservations, we submit our commentary on the co-facilitators’ latest proposed text so that our positions are recorded, even while reiterating an objection to a presentation of recommendations for changes to the text forming the basis of discussion at IP4.

A. Chapeau

IPEN supports inclusion of the new Chapeau. More explicit recognition of the connection between adequate financial resources and achieving the agreement’s objectives and targets (as contained in the chapeau) could be helpful in securing political support for adequate and sustainable financing.

B. Clearinghouse Mechanism

We support removing these brackets, while reiterating our earlier proposal for additional text calling for transparent accounting principles; and noting for clarity that this is not assent to the ICCA’s very different proposal to bring all or most developing country requests for capacity-building assistance to deal with chemicals under the roof of a very different clearinghouse mechanism.

C. Mainstreaming

IPEN’s preference regarding the remaining brackets in paragraph 6 is as indicated below.

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.

IPEN supports removing the brackets around paragraph 7 and believe “seek” is more appropriate than “strive.”

D. Dedicated External Financing

IPEN supports removing brackets around paragraph 12. IPEN’s preference regarding the remaining brackets in paragraph 12 is as indicated below.

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.

IPEN supports removing brackets around paragraph 15. IPEN supports further removing the brackets surrounding “continue to” in this paragraph.

IPEN reiterates its views on the necessity of strengthening and reforming the Special Programme as suggested in paragraph 16. The Special Programme has contributed to the Integrated approach pillar of dedicated external financing by raising over US$25 million to date and distributing roughly US$11.5 million. However, because this funding applies to work under the Basel, Rotterdam, Stockholm, and Minamata Conventions and SAICM, it is difficult to determine how much should be counted as flowing to SAICM implementation. Further, funding is limited to applications from governments for institutional strengthening and only for activities that fall outside the GEF mandate. Three concrete actions to support implementation of Beyond 2020 work are modifications to the terms of reference of the Special Programme:

1. Enable access by all relevant SAICM stakeholders, include public interest NGOs, since the Programme is currently restricted only to governments. The UNEP evaluation of the Integrated Approach notes that, “Civil society has lost out from the closure of the QSP to which civil society could apply for funding” recommends that UNEP should “propose solutions to address civil society financing.”
2. Remove the limitation on activities that fall outside the GEF mandate, since this unnecessarily confines funding and undermines synergies with limited GEF funding.
3. Remove the time limitation of the Special Programme, which is currently confined to seven years with the possibility of a one-time extension of an additional five years.

E. Strategic Partnerships

IPEN strongly supports preserving the text “transparent and accountable” and “linked to the 2030 Agenda” in 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.

F. Financing the Secretariat

IPEN believes that the current proposal to rewrite para 19 to 22 is not an adequate response to the main challenges faced by the secretariat, and does not reflect the content of the discussions in the working group.

While the Japan/Canada proposal was indeed presented to the VWG, there was no in-depth discussion on it. Very few participants expressed their view on the proposal, and given the limited time available, no participants (including those that expressed their views) had a chance to fully consider the proposal or consult with capitals and partners. It is therefore impossible to argue that the text of the new Canada/Japan proposal represents a consensus among the participants of the VWG.

Furthermore, while we do see merit in reorganizing the sections along types of contributions rather than types of stakeholders, more detailed consideration of the proposal does not demonstrate any new idea to address the underlying issue at hand: the severe underfunding of the secretariat.

Conversely, IPEN did propose substantive edits to the original text (both in writing and during the discussion) that would provide options for new, sustainable and sufficient resources to the secretariat. Such proposal is not reflected in the current recommendation.

IPEN therefore believes that the original text should be retained as a basis for discussion, and that future discussions should focus on identifying new sources of funding for the secretariat rather than merely try to re-order elements that have proved insufficient to ensure adequate funding for the secretariat.