
International Conference on Chemicals Management

Third session

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Item 4 (d) of the provisional agenda*

**Implementation of the Strategic Approach to International Chemicals
Management: financial and technical resources for implementation**

**Financial and technical resources for implementation of the
Strategic Approach**

Note by the secretariat

I. Introduction

1. Paragraph 24 of the Overarching Policy Strategy sets out the functions of the International Conference on Chemicals Management, which include, inter alia, working to ensure that the necessary financial and technical resources are available for implementation of the Strategic Approach to International Chemicals Management.
2. In paragraph 18 of its resolution II/3, on financial and technical resources for implementation, the Conference invited all stakeholders, in particular those referred in the resolution, to assess and report to the secretariat on the steps that they had taken to implement the Strategic Approach financial arrangements at the latest six months before the third session of the Conference and requested the secretariat to compile and synthesize these reports, including any additional relevant information, for consideration by the Conference at its third session.
3. In accordance with these functions and the discussions of the Open-ended Working Group at its first meeting, held in Belgrade from 15 to 18 November 2011, the present note highlights recent developments relevant to financial and technical resources for the implementation of the Strategic Approach, including:
 - (a) Steps taken to implement Strategic Approach financial arrangements;
 - (b) Research and guidance on the economic and social costs of unsound chemicals management;
 - (c) Efforts aimed at mainstreaming the sound management of chemicals throughout their life cycle;
 - (d) An integrated approach to financing chemicals and wastes;
 - (e) Outcomes of the United Nations Conference on Sustainable Development and their relevance to financing the implementation of the Strategic Approach.

* SAICM/ICCM.3/1.

II. Possible action by the Conference

4. The Conference, taking into account recent developments relevant to financial and technical resources, may wish:
- (a) To explore means to increase support to the Strategic Approach from bilateral aid agencies as well as from existing international financial institutions, including the World Bank and regional development banks, and other international, regional and subregional funding institutions and intergovernmental organizations;
 - (b) To analyse the impact of existing sound chemicals management mainstreaming activities in order to expand outreach to political decision makers to strengthen the case for investment in improved sound chemicals management;
 - (c) To consider adopting a resolution on the immediate and long-term financing of the Strategic Approach based on a proposal presented by the Executive Director of UNEP (see SAICM/ICCM.3/12);
 - (d) To consider the recommendations of the Executive Board of the Quick Start Programme following the midterm evaluation of the Programme and adopt a resolution on the future of the Quick Start Programme;
 - (e) To call for continued, new and innovative public-private partnerships among Governments, industry and academia and other non-governmental stakeholders aimed at enhancing capacity and technology for environmentally sound chemicals and wastes management;
 - (f) To invite Strategic Approach stakeholders, in particular Governments, regional economic integration organizations and intergovernmental organizations in a position to do so, to provide resources to accelerate the strengthening of capabilities and capacities for the implementation of the Strategic Approach.

III. Background

5. Section V, on financial considerations, of the Overarching Policy Strategy sets out the financial arrangements for the Strategic Approach, including actions at the national or subnational levels to support the financing of Strategic Approach objectives; enhancing industry partnerships and financial and technical participation in the implementation of Strategic Approach objectives; integration of the Strategic Approach objectives into multilateral and bilateral development assistance cooperation; making more effective use of and building upon existing sources of relevant global funding; supporting initial capacity-building activities for the implementation of Strategic Approach objectives; and inviting Governments and other stakeholders to provide resources to enable the secretariat to fulfil its tasks in support of the Strategic Approach.
6. In its resolution II/3, the Conference reaffirmed that achieving the objectives of the Overarching Policy Strategy for the sound management of chemicals throughout their life cycle by 2020¹ depended in part on the financing of diverse action at all levels and on enhanced synergies and the complementarity of the multiple financial arrangements foreseen in the Strategic Approach for its implementation.
7. The Conference further recognized the need for sustainable, predictable, adequate and accessible funding for activities in support of the sound management of chemicals and the achievement of the objectives set forth in the Strategic Approach, and set out a number of actions to be undertaken by Strategic Approach stakeholders.
8. The Conference also requested the Quick Start Programme Executive Board to evaluate the Quick Start Programme, report on its effectiveness and the efficiency of its implementation and make recommendations in the light of its findings for the consideration of the Conference at its third session.
9. Accordingly, the Executive Board developed conclusions and recommendations concerning the midterm evaluation (see SAICM/ICCM.3/8). The executive summary of the report of the midterm review of the Quick Start Programme is available to the Conference in document SAICM/ICCM.3/9, and the report of the midterm review is available in document SAICM/ICCM.3/INF/17.

¹ The Johannesburg Plan of Implementation includes the goal that, by 2020, chemicals are used and produced in ways that lead to the minimization of significant adverse effects on human health and the environment. As stated in paragraph 13 of the Overarching Policy Strategy, the Strategic Approach adopted that goal, often referred to as the “2020 goal”, as its overall objective.

IV. Steps taken to implement Strategic Approach financial arrangements

10. In paragraph 10 of resolution II/3, the Conference invited all relevant financial institutions, in particular existing international financial institutions, including the World Bank and regional development banks, other international, regional and subregional funding institutions and intergovernmental organizations, to strengthen their support for activities contributing to the achievement of the Strategic Approach objectives, including through in kind contributions, within their respective mandates.

11. Pursuant to resolution II/3, the secretariat invited stakeholders to assess and report on the steps that they have taken to implement the Strategic Approach financial arrangements through a questionnaire distributed to 41 stakeholders, including targeted intergovernmental and non-governmental organization focal points, regional development banks, bilateral and multilateral aid organizations and other relevant institutions. The aim of the questionnaire was to identify some of the steps that had been taken since the second session of the Conference to strengthen support for activities to achieve the Strategic Approach. Twelve responses were received from eight intergovernmental organizations, one Government, one non-governmental organization, one researcher and one regional development bank.

12. A summary of the questionnaire results received, copies of the reports submitted from stakeholders that reported, and a list of stakeholders to whom the questionnaire was sent are available (see SAICM/ICCM.3/INF/11). While the response rate was low, the information provided in the completed questionnaires identified a number of enhanced efforts and actions towards sound international chemicals management and demonstrated the inclusion of the Strategic Approach within work programmes, activities and plans. The responses highlighted some promising examples of co-funding for implementation of chemicals management activities, including from the Global Environment Facility (GEF), the Multilateral Fund for the Implementation of the Montreal Protocol, bilateral aid from donor countries, the Strategic Approach Quick Start Programme Trust Fund and internal budgets.

13. A total of eight financial institutions, regional development banks and other bilateral aid institutions received the questionnaire. Of those, only the West African Development Bank responded, indicating their willingness to collaborate with the implementation of the Strategic Approach in their region. The lack of response from the financial sector may be due to a lack of awareness of the shift in production and use of chemicals from developed to developing countries, the costs of inaction on sound chemicals management and the associated increased potential for negative impacts on human health and the environment in developing countries.

14. In its response, the secretariat of the United Nations International Strategy for Disaster Reduction indicated that, while the questions did not seem directly applicable to it, it was extremely supportive of the implementation of the Strategic Approach and it highlighted the relevance of the Hyogo Framework for Action 2005–2015: Building the Resilience of Nations and Communities to Disasters as a guidance tool for such implementation. The Hyogo Framework for Action is available to the Conference for information in document SAICM/ICCM.3/INF/33.

15. The outcomes of the fifth replenishment of GEF were presented at the Fourth GEF Assembly in May 2010. The fifth replenishment called for an allocation of \$10 million to contribute to the overall objective of the Strategic Approach, with an additional \$10 million for projects to complement and advance the negotiations on a global legally binding instrument on mercury. The goal of the GEF chemicals programme is the same as the overall objective of the Strategic Approach: to promote the sound management of chemicals throughout their life cycle in ways that lead to the minimization of significant adverse effects on human health and the global environment.

16. In keeping with its mandate, GEF supports the Strategic Approach priority objectives that generate global environmental benefits, as outlined in the Global Plan of Action of the Strategic Approach. Activities and work areas that could receive GEF incremental support owing to their transboundary aspects include those related to technology transfer and pollution prevention; pesticides management; capacity-building with regard to legislative and regulatory frameworks and enforcement; adaptation with regard to chemicals; protected areas; contaminated sites; heavy metals; waste minimization and disposal; information exchange and illegal traffic. Under the fifth replenishment of GEF, a chemicals strategy was developed that included support for activities relating to persistent organic pollutants, sound chemicals management and mercury reduction. The complete GEF strategy document includes a proposed list of projects that GEF could support. More information is available from www.thegef.org.

17. With respect to activities relating to the Strategic Approach, GEF has approved a \$1 million project in Ethiopia related to investment in the promotion of the environmentally sound management of electrical and electronic wastes. Other electrical and electronic wastes projects under development in Asia and in Latin America and the Caribbean could also be supported by GEF. Furthermore, GEF is considering proposals on other issues related to the Strategic Approach, including lead in paint and chemicals in products.

18. In addition, GEF has approved five \$1 million projects related to mercury, including regional projects for the implementation of integrated measures for minimizing mercury releases from artisanal and small-scale gold mining in West Africa (Burkina Faso, Mali and Senegal) and in Latin America and the Caribbean (Peru and Ecuador); projects in China to develop a mercury inventory and for the reduction of mercury emissions in zinc smelting operations; a project in Uruguay to promote environmentally sound life cycle management of mercury-containing products and wastes; and a project in Kyrgyzstan to reduce global and local environmental risks from primary mercury mining. The assistance provided by GEF will also be used to tackle other significant and relevant mercury issues identified in the context of the intergovernmental negotiating committee to prepare a global legally binding instrument on mercury.

19. Further information, including information related to co-financing, is available in the submission from GEF (see SAICM/ICCM.3/INF/35).

V. Research and guidance on the economic and social costs of unsound chemicals management

20. In its resolution II/3, the Conference encouraged additional research on the economic and social costs of unsound chemicals management, including the costs of inaction and the implications for the health sector, at the national, regional and international levels, to facilitate appropriate priority being given to the implementation of the Strategic Approach objectives.

21. In support of paragraph 3 of the resolution, the World Health Organization (WHO) released a study in 2011 entitled “Knowns and unknowns on burden of disease due to chemicals: a systematic review”, which is set out in document SAICM/ICCM.3/INF/13 for the information of the Conference. The authors of the study systematically reviewed all the available information on the global burden of disease due to chemicals through various media, including air, water, occupational exposures and direct ingestion. Although the global burden of disease attributable to chemicals is generally underestimated, the review shows that the known burden of disease due to chemicals is large, and that the unknown burden may also be considerable. Such information is useful for national, regional and international decision makers from different sectors and programmes who have a role to play in reducing human exposure to toxic chemicals. The review supports the argument that further attention should focus on investigating the health impacts of chemicals on the population and on preventive measures to limit harmful exposure to chemicals. WHO disease burden data, in addition to the work of WHO and its database on choosing interventions that are cost-effective (known as “WHO-CHOICE”),² provide the basis for the health information used in the UNEP report on the costs of inaction mentioned below.

22. UNEP work directly related to resolution II/3 consists of activities on the mainstreaming of sound chemicals management into national development policies; assessment of the costs of inaction; preparation of guidance on legal and institutional infrastructures (including the use of economic instruments); activities on environment and health linkages; and the Global Chemicals Outlook report.

A. Costs of inaction

23. In 2010, UNEP launched an initiative on the costs of inaction to assess the economic and social costs of unsound chemicals management. The initiative aims to raise political awareness of the benefits, expressed in economic terms, of sound chemicals management to strengthen the rationale for integrating sound chemicals management into national development plans and to build capacity to assess the costs of inadequate chemicals management at the national and international levels.

24. Although they are based on the limited amount of information available, the estimates developed for the costs of inaction initiative reveal the high economic consequences of unsound chemicals management. As demonstrated in the report on the costs of inaction on the sound management of chemicals management (see SAICM/ICCM.3/INF/14), with practical techniques and necessary precautions applied, data can be extrapolated in key development sectors in more United

2 www.who.int/choice/en/.

Nations regions to reveal the costs of inaction, which represent a significant portion of gross domestic product in the developing world. Overall, actions are often delayed by financial decision makers in Government and industry when there is perception of inadequate data. When the costs of inaction are shown to be mounting, however, there is less likelihood of related action being delayed.

B. Activities on environment and health linkages

25. UNEP is collaborating with WHO on activities related to environment and health linkages aimed at ensuring close cooperation between environment and health ministries in the African region on climate change and chemicals management. A chemicals management framework for Africa is under development and will be submitted to the African Ministerial Conference on the Environment at its fourteenth session for its consideration and to the WHO Regional Committee for Africa at its sixty-second session. It is intended to build African countries' technical and institutional capacities to support specific actions to reduce the risks to health and the environment from the unsound management of chemicals.

C. Global Chemicals Outlook report

26. The Global Chemicals Outlook report is aimed at highlighting work undertaken as part of mainstreaming activities and, as such, to tackle the related root causes of human health and environmental degradation; to develop an economic argument, including on the costs of inaction; to assess the potential benefits and trade-offs of action; and to provide policy and management options and measures for promoting and implementing safer alternatives. It is also intended to provide a basis for future international priority-setting and to design activities in the area of harmful substances, including a continued and coherent framework for assessing and setting priorities between chemicals issues, such as emerging issues of concern. The report will be launched on 5 September 2012 at the United Nations Office at Geneva and is made available to the Conference in document SAICM/ICCM.3/INF/15.

VI. Efforts aimed at mainstreaming of sound chemicals management throughout their life cycle

27. An update on the United Nations Development Programme and UNEP partnership initiative for the integration of sound management of chemicals into development planning processes is set out in document SAICM/ICCM.3/INF/10. The information is based on lessons learned from countries where the partnership has been implemented and an independent evaluation, including the results of mainstreaming projects in Belize, Cambodia, the former Yugoslav Republic of Macedonia, Uganda and Zambia. It provides an update on the progress of the partnership initiative, including lessons learned and future directions. The following recommendations on mainstreaming sound chemicals management into development policies and plans are drawn from the update:

- (a) There is strong evidence that countries benefit significantly from undertaking the mainstreaming approach;
- (b) The Strategic Approach should continue to provide financial support for this area of work;
- (c) Sound chemicals management mainstreaming projects should be closely integrated with other initiatives supporting the mainstreaming of environment and health concerns in development planning to ensure maximum impact at the country level;
- (d) Further research should be carried out to ensure greater understanding of the costs of inaction and the economic benefits of sound chemicals management, in particular in areas of intensive chemicals use;
- (e) Outreach to political decision makers on sound chemicals management mainstreaming projects should be expanded to create demand for thorough economic analysis of the costs and benefits of proposed plans and to build strong cases for investment in improved sound chemicals management.

28. In addition, as part of its mainstreaming activities, UNEP has drafted guidance on the development of legal and institutional infrastructures, which aims to provide practical support to policymakers on crucial elements of national legislation and institutional arrangements for achieving the sound management of chemicals, including measures for financial support. It includes consideration of the basic structures that countries typically need and those that are required to improve existing systems. While of a general nature to accommodate varying national contexts, the guidance is tailored to the specific conditions of developing countries and countries with economies in

transition. It is currently being tested in a number of pilot countries. The guidance is set out in document SAICM/ICCM.3/INF/12.

29. In its conclusions and recommendations to the Conference in the light of the midterm evaluation of the Quick Start Programme, the Executive Board recognized some of the challenges that many countries still face in mainstreaming the sound management of chemicals throughout their life cycle into all relevant sectors and recommended that the Conference consider ways to promote such mainstreaming into all relevant sectors (see SAICM/ICCM.3/8).

VII. Integrated approach to financing the sound management of chemicals and wastes

30. At its first meeting, the Open-ended Working Group established a contact group on finance and technical assistance. The contact group began its work by considering financing to implement activities until 2020 and then considered the links to and elements of the consultative process on financing options for chemicals and wastes as they related to the Strategic Approach. A summary paper of the views expressed during the group's discussions was prepared by the co-chairs of the contact group. The Working Group agreed to present the co-chairs' summary as a working document to the Conference at its third session (see document SAICM/ICCM.3/11). The co-chairs also submitted their summary to the UNEP Executive Director for his consideration to serve as input for finalizing his report to the Governing Council of UNEP on the outcome of the consultative process on financing options for chemicals and wastes.

31. Pursuant to Governing Council decision SS.XI/8, on the consultative process on financing options for chemicals and wastes, the Executive Director submitted his report on the outcome of the consultative process to the Governing Council at its twelfth special session in February 2012.³ Thereafter, in its decision SS.XII/4, on the consultative process on financing options for chemicals and wastes, the Governing Council requested the Executive Director to prepare a draft proposal on an integrated approach to financing the sound management of chemicals and wastes and to seek advice thereon through a consultative process for consideration and possible decision by the Conference at its third session and by the Governing Council/Global Ministerial Environment Forum at its twenty-seventh session in 2013.

32. The Conference will have before it the report by the Executive Director on a proposal for an integrated approach to financing the sound management of chemicals and wastes (see SAICM/ICCM.3/12) for its consideration.

33. The Conference is invited to recall and review the discussion of the Open-ended Working Group at its first session, to consider the proposal by the UNEP Executive Director on an integrated approach to financing the sound management of chemicals and wastes and to consider adopting a decision on both the immediate and long-term financing of the Strategic Approach.

VIII. Outcomes of the United Nations Conference on Sustainable Development and their relevance to financing the implementation of the Strategic Approach

34. Although there are no legally binding requirements to support its implementation, the Strategic Approach received the endorsement of heads of State and Government at the World Summit on Sustainable Development, held in Johannesburg in 2002, and at the 2005 World Summit, held in New York. In paragraph 11 of the Dubai Declaration on International Chemicals Management, ministers, heads of delegation and representatives of civil society and the private sector expressed their unwavering commitment to promoting the sound management of chemicals and hazardous wastes throughout their life cycles, in accordance with Agenda 21 and the Johannesburg Plan of Implementation. The adoption of the Overarching Policy Strategy in paragraph 12 of the Dubai Declaration constituted a firm commitment to the Strategic Approach and its implementation.

35. Participants at the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, from 20 to 22 June 2012, highlighted the need for sound chemicals management and acknowledged that sustainable and adequate long-term funding was a key element for the sound management of chemicals and wastes, in particular in developing countries. Participants in the Conference called for the effective implementation and strengthening of the Strategic Approach as part

3 See UNEP/GCSS.XII/8.

of a robust, coherent, effective and efficient system for the sound management of chemicals throughout their life cycle, including to respond to emerging challenges.

36. They noted deep concerns that many countries, in particular the least developed countries, lacked the capacity for sound management of chemicals and wastes throughout their life cycles, noting that additional efforts were needed to enhance work to strengthen those capacities, including through partnerships, technical assistance and improved governance structures. Countries and organizations that had made progress towards achieving the goal of sound management of chemicals by 2020 were encouraged to assist other countries by sharing knowledge, experience and best practices. The Strategic Approach provides a mechanism to share such information in an efficient and coordinated manner.

37. Participants at the Conference commended existing public-private partnerships and called for continued, new and innovative public-private partnerships between stakeholders from industry, Governments, academia and civil society aimed at enhancing capacity and technology for environmentally sound chemicals and wastes management, including for wastes prevention. The development of environmentally sound and safer alternatives to hazardous chemicals in products and processes was encouraged through, among other things, life cycle assessment, public information, extended producer responsibility, research and development, sustainable design and knowledge sharing, as appropriate.

38. A high-level dialogue on strengthening the Strategic Approach is planned under item 4 of the agenda at the third session of the International Conference on Chemicals Management. The dialogue will focus on the outcomes of the United Nations Conference on Sustainable Development and other important initiatives, such as those launched in tandem with the Stockholm+40 Partnership Forum for Sustainable Development, focusing on eight areas that might be strengthened in the coming eight years before the 2020 deadline. The findings in the Global Chemical Outlook report may be used to provide policy guidance for the development of recommendations on areas of work to be undertaken by the Conference.

IX. Conclusions

39. The implementation of the Strategic Approach has entered a significant phase in which specific actions are being taken to achieve the sound management of chemicals in developing countries. Enhanced efforts and actions towards sound international chemicals management have been demonstrated since the second session of the Conference. There are lessons to be learned from the experience of the Strategic Approach in its use of an integrated approach to implementation. By virtue of its multi-stakeholder and multisectoral nature, the Strategic Approach integrates the various tracks envisaged by the consultative process, including the mainstreaming of chemicals and wastes concerns into national development plans, an active role for industry and other non-traditional stakeholders and, more specifically, partnerships in the implementation of sound chemicals management, as well as a dedicated trust fund to support initial enabling activities.

40. As the implementation of the Strategic Approach continues, new issues will be nominated for inclusion in the Global Plan of Action, new emerging policy issues proposed and new initiatives undertaken, such as the implementation of the Strategic Approach's health sector strategy. While it is important to tackle new issues, it is crucial that resources are made available to complete activities relating to existing issues. Sustained resources to support the secretariat's work are vital to ensure its effective and efficient completion of tasks assigned to it by the Conference. New and non-traditional sources of funding, including from bilateral aid agencies, as well as from existing international financial institutions, may have to be sought to maintain momentum for the sound management of chemicals consistent with the 2020 goal.

41. The outcome of the United Nations Conference on Sustainable Development provided a welcome political boost to the implementation of the Strategic Approach and the Conference should build on that momentum to define the priority areas that require strengthening and to discuss alternative means of securing sustainable funding to enable the attainment of the 2020 goal.