



Distr.: General
15 June 2022

English only

**6th Asia-Pacific regional meeting on the
Strategic Approach to International Chemicals Management**
Dead Sea, Jordan, 5-7 July 2022

Outcome of the Virtual Working Group on financial considerations

Note by the Secretariat

1. The Annex to this note presents the outcome of the Virtual Working Group on financial considerations held between October 2020 to February 2021.
2. Further details on the work of the Virtual Working Group on financial considerations is available here:
<http://www.saicm.org/Beyond2020/IntersessionalProcess/VirtualWorkingGroups/tabid/8563/language/en-US/Default.aspx>.

Annex: Outcome of the Virtual Working Group on financial considerations

1) Introduction

1. The Co-chairs of the Intersessional Process in consultation with the ICCM5 President and the Bureau developed a [scenario note](#) for the path forward to develop recommendations for submission to the fifth session of the International Conference on Chemicals Management. The scenario note was made available in all 6 United Nations languages and can be found [here](#). It served as a basis for the establishment and the work of the four Virtual Working Group.

2. The mandate of the Virtual Working Group on Financial Considerations reads as follows:

2) Virtual working group co-facilitators

Mr. Jonah Davis Ormond from Antigua and Barbuda and Mr. Reggie Hernaus (The Netherlands) served as Co-facilitators of the Virtual Working Group.

3) Mandate

Make proposals that progress work on this topic in the lead-up to IP4. Specific tasks include:

- (i) Integrated approach to financing the sound management of chemicals and waste:
 - Given that stakeholders have continued to express support for mainstreaming as an important element to address financing, further discuss how best to achieve mainstreaming. In addition, gather views on the establishment of a clearing house mechanism to track development aid and possible further sources for the sound management of chemicals and waste.
 - For private sector involvement, gather views on private sector involvement and industry may wish to consider specific milestones to demonstrate this component.
 - Dedicated external financing referred to under the integrated approach incorporates multilateral, regional and bilateral financial assistance, including:
 - UNEP's Special Programme: A dedicated mechanism to support institutional strengthening at the national level for implementation of the sound management of chemicals and waste.
 - Examine the benefits and challenges of this fund to date and how it should respond to the beyond 2020 programme of work.
 - The Global Environment Facility (GEF): Dedicated resources have expanded through the GEF focal area on chemicals and wastes, which now has a wider scope. At the same time, the GEF as a funding source is focused on global environmental benefits and does not cover all of the multi-sectoral nature of the sound management of chemicals and waste.
 - Develop recommendations on how dedicated financing of the multi-sectoral scope of the sound management of chemicals and waste should be addressed.
- (ii) Capacity building
 - Review the inputs from stakeholders presented in SAICM/IP.4/5.
 - Make proposals for the financing aspect of capacity building principles.
 - Develop proposed recommendations for financing concrete mechanisms and actions regarding capacity building across sectors.
- (iii) Strategic partnerships:

- Develop proposals for a set of recommendations on financing strategic partnerships within and across sectors and stakeholder groups.
- (iv) Consider proposals for financing the Secretariat.
- Develop proposals for the modalities (core budget and contributions of all stakeholders) for financing the Secretariat.
- (v) Cost recovery mechanisms and other economic instruments:
- Develop proposals for, collect comments and give feedback to the Secretariat on review of 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.
- (vi) Draft resource mobilization strategy:
- Develop proposals for, collect comments and give feedback to the Secretariat on the proposed resource mobilization strategy (SAICM/IP.4/6) so that it may be further developed for IP4/ICCM5

Relevant 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.4/5](#) Stakeholder input on the proposed draft ‘capacity building principles’ developed at the third meeting of the intersessional process by the co-chairs of the thematic group on financial considerations

[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

4) Process

3. The participation at the Virtual Working Group was open to all interested stakeholders. 166 people registered for this VWG from all SAICM stakeholder groups, different sectors and all UN regions. The list of participants as of 27 January 2021 can be found [here](#).

4. Between 18 November 2020 and 10 February 2021, the VWG4 had 4 virtual meetings and 3 rounds of electronic feedback. In these 3 rounds the co-facilitators of the VWG and the SAICM Secretariat received 36 electronic submissions from SAICM stakeholders. The calendar of virtual meetings held and electronic input sought can be found [here](#).

5. The IP3 compilation document [SAICM/IP.4/2](#) served as a basis for textual deliberations during the virtual meetings and for the electronic input sought.

6. All relevant documents can be found on the [SAICM website](#) including general information, pre-session documents, outputs and recordings, presentations, stakeholders’ inputs and the lists of participants.

5) Summary of stakeholders’ views and text recommendations by the co-facilitators

I. INTEGRATED APPROACH TO FINANCING (Page 14-15, Paragraphs 1-5)

Chapeau on the integrated approach to financing

[Adequate, predictable and sustainable financing, technical assistance, capacity building and technology transfer on mutually agreed terms are essential to achieve the [goals and targets of the 2030 Agenda for Sustainable Development] responding to the relevant objectives and targets of the Strategic Approach and the sound management of chemicals and waste beyond 2020. The participation of representatives of all involved stakeholders and sectors at national, regional and international levels should be ensured in the integrated approach to financing for the sound management of chemicals and waste.]

Summary of stakeholders' views from written submissions and oral interventions:

1. Stakeholders¹ participating in the VWG process recommended the inclusion of a new chapeau paragraph in *Section VII. Financial Considerations* to indicate that adequate, predictable and sustainable financing is essential to achieving the 2030 Agenda for Sustainable Development and the objectives and targets of the new instrument. This explicit recognition could help secure multistakeholder and multisectoral support.
2. A stakeholder (Canada) stressed out that the integrated approach to financing is fundamental to the whole idea of resource mobilization and is concerned that the proposed text may be recharacterizing it.
3. Some stakeholders (Canada, GAHP, UK, US) showed their support to the addition of “technology transfer on mutually agreed terms” and pointed out that the commas should be edited to better reflect the idea that “mutually agreed terms” applies only to “technology transfer”.
4. A stakeholder (Brazil) suggested replacing “the Strategic Approach and the sound management of chemicals and waste beyond 2020” by the “beyond 2020 framework”, as seen by the others VWGs because no common ground was yet found on the future of SAICM.
5. Many stakeholders (the African group, EU and its Member States, GAHP, ILO, ITUC, Norway, and UK) supported the reference to the 2030 agenda and the SDGs.
6. Some participants (Brazil, Canada, EU and its Member States, GAHP, and US) proposed to include the reference to the 2030 agenda after the “beyond 2020 framework”; or on “the Strategic Approach and the sound management of chemicals and waste beyond 2020”.
7. One stakeholder (US) did not support the inclusion of any reference to the 2030 agenda, explaining that its scope is beyond this body.

Clean redlined text from stakeholders:

Brazil: [Adequate, predictable and sustainable financing, technical assistance and technology transfer are essential to achieve the ~~goals and targets of the 2030 Agenda for Sustainable Development~~ responding to the relevant objectives and targets of the ~~Strategic Approach~~ **the beyond 2020 framework** and the sound management of chemicals and waste, **including thematically related goals under the 2030 Agenda for Sustainable Development** ~~beyond 2020~~. The participation of representatives of all involved sectors at national, regional and international levels should be ensured in the integrated approach to financing of chemicals and waste].

Canada: Adequate, predictable and sustainable financing, technical assistance [, and technology transfer **on mutually agreed terms,**] are essential to achieve the ~~goals and targets of the 2030 Agenda for Sustainable Development~~ responding to the relevant objectives and targets of the Strategic Approach and the sound management of chemicals and waste beyond 2020 **and the [relevant goals and targets of the] 2030 Agenda for Sustainable Development**. ~~The participation of representatives of all involved sectors at national, regional and international levels should be ensured in the integrated approach to financing of chemicals and waste~~].

A. INTEGRATED APPROACH TO FINANCING

¹ US explicitly stated that it does not support the recommendation to include this new chapeau paragraph.

The implementation of the integrated approach to financing for the sound management of chemicals and waste, which was designed and agreed as a long-term contribution beyond 2020, continues to be essential. Multi-sectoral support for and participation in all three pillars of this integrated approach should be actively promoted and encouraged at the national, regional and international levels.

Japan: [Adequate, predictable and sustainable financing, technical assistance and technology transfer are essential to achieve the goals and targets of the 2030 Agenda for Sustainable Development responding to the relevant objectives and targets of the Strategic Approach and the sound management of chemicals and waste beyond 2020. The participation of representatives of all involved sectors at national, regional and international levels should be ensured in the integrated approach to financing for the sound management of chemicals and waste].

Iran: [Adequate, predictable and sustainable financing, technical assistance, capacity building and technology transfer are essential to achieve the goals and targets of the 2030 Agenda for Sustainable Development and to address and overcome the ever increasing related gaps in developing countries responding to the relevant objectives and targets of the Strategic Approach and the sound management of chemicals and waste beyond 2020. The active and result oriented participation of representatives of all involved sectors at national, regional and international levels should be ensured in the integrated approach to financing of chemicals and waste].

UNEP: [Adequate, predictable and sustainable financing, capacity building, technical assistance and technology transfer are essential to achieve the Vision, Strategic Objectives and Targets of the Strategic Approach and the sound management of chemicals and waste beyond 2020, thus contributing inter alia to the relevant 2030 Agenda for Sustainable Development Goals.

Paragraph 1: The implementation of the integrated approach to financing for the sound management of chemicals and waste, which was designed and agreed as a long term contribution beyond 2020, continues to be essential [to achieve the goals and targets of the 2030 Agenda for Sustainable Development] [and to bridge the widening gaps in the capacity to address sound management of chemicals and waste between developed and developing countries]. [it is recognized that the sound management of chemicals and waste is necessary for countries, and [may] require[s] technical and financial support].²

Clearinghouse mechanism to track development aid

Paragraph 2: [A clearinghouse mechanism should be established under the secretariat of (the agreement) to publicly track development aid for the sound management of chemicals and waste]

Summary of stakeholders' views from written submissions and oral interventions:

1. Several stakeholders (IPEN, Peru, Switzerland, US) are in favour of removing the brackets around this paragraph.
2. The financial clearinghouse mechanism would support countries in identifying and accessing new potential sources of funding. To be reliable, submissions should be independently reviewed and verified through good accounting practices (IPEN).
3. Some stakeholders (Canada, EU and its Member States) expressed concerns about the need for and feasibility of such a mechanism to track development aid or development assistance, as it might be

² This paragraph was not discussed with stakeholders.

resource intensive and would duplicate work performed in other for a (e.g., the OECD monitors official development assistance (ODA) provided by donor countries).

4. An alternative for this paragraph suggested by one stakeholder (EU and its Member States) would be to map funding sources, which would more feasible and would not overlap with the overall development assistance work. Another alternative supported by two stakeholders (Canada, EU and its member states) is for the CHM to “provide information”.
5. One stakeholder suggested the possibility to use existing mechanisms such as the Special Programme database to avoid additional resources required to maintain the clearinghouse (UK).
6. GAHP pointed out that asking the Secretariat to track development aid would duplicate the ongoing work being done by the OECD’s development assistance committee and GAHP to harmonize statistics on chemicals and waste’s development financing. Where the Secretariat could have a value added, she pointed out, would be for the Secretariat to act as a broker to match initiatives that require funding with potential donors, in the same way that the UN Convention to Combat Desertification does it, for example.
7. Two stakeholders (the African group and Nigeria) highlighted their wish to see “transparency” in terms of the resources needed, so it is clear for everyone that no progress can be done without financing. Nigeria asked for the clearinghouse mechanism to be clearly articulated under the targets and indicators section of the instrument.
8. Other stakeholders (the African group, GAHP, ITUC, and Switzerland) noted that although the independent review of SAICM reported that a main reason for failure of meeting the 2020 goal was due to the lack of adequate and sufficient resources, the Secretariat’s resources are also currently insufficient and such a problem must be resolved.
9. UNEP proposes to add at the end of the paragraph the following: “as set out in a living Resource Mobilization Strategy to be presented to the first Governing Body meeting. The responsibility for maintaining and publishing the Clearinghouse will be part of the Secretariat role.”

Clean redlined text from stakeholders:

Brazil: [The Clearinghouse mechanism ~~to be established under the secretariat~~ will publicly track development aid and other possible sources of financing for the sound management of chemicals and waste.]

Canada: A. CLEARINGHOUSE MECHANISM TO ~~PROVIDE INFORMATION ON PUBLICLY TRACK DEVELOPMENT AID~~ **RESOURCE MOBILIZATION** (Page 14) (...).

Iran: [The Clearinghouse mechanism will publicly track development aid ~~in the form of cash and in kind, capacity building and transfer of technology~~ and other possible sources of financing for the sound management of chemicals and waste.]

UNEP: [The Clearinghouse mechanism will publicly track development aid and other possible sources of financing for the sound management of chemicals and waste, ~~as set out in a living Resource Mobilization Strategy to be presented to the first Governing Body meeting. The responsibility for maintaining and publishing the Clearinghouse will be part of the secretariat role.~~]

Establishment of an arrangement, process or subsidiary structure to review

Paragraph 3: [All stakeholders agree to establish an arrangement, process or subsidiary structure comprising of finance and other relevant experts to keep sound management of chemicals and waste, capacity building, technology, finance and other resource mobilization sources and initiatives under review.]

Summary of stakeholders’ views from written submissions and oral interventions:

1. Some stakeholders supported the establishment of an arrangement, process or subsidiary structure (IPEN, Norway, UNDP) and highlight the importance for a periodic review mechanism.
2. Learning from other processes such as the effectiveness evaluation of the IPCC or TEAP of the Montreal Protocol was recommended (IPEN, UNDP).
3. On the other hand, some stakeholders do not support a formal subsidiary structure (Japan, UK, US) because they either consider it is too early at this stage - a common understanding on the need, purpose, focus issues should be reached first (EU and its Member States, IPEN, Japan); or because they believe that an informal group of experts with good knowledge and understanding of existing financial mechanisms should be sufficient to assist addressing the gap in facilitating developing countries in accessing available funds for capacity building (UK).
4. There was also a suggestion that the mechanism could perform a review function on financial and technical support that could either be placed in this section or under the governance section of the new instrument.
5. In terms of the review mechanisms it was noted that different sources of funding have their own rules and procedures for their operations and their own review processes.
6. The current draft resource mobilization strategy prepared by the SAICM Secretariat could be a starting point to establish a structure for the future review on financial issues. Irrespective of establishing a long-term mechanism, a mapping to identify baseline elements of resources mobilized for the sound management of chemicals and waste is required to inform the overall discussions in the Beyond 2020 negotiations (UNEP).

Clean redlined text from stakeholders:

Norway: [All stakeholders agree to establish an arrangement, process or subsidiary structure comprising of finance and other relevant experts to keep sound management of chemicals and waste, capacity building, technology, finance and other resource mobilization sources and initiatives under review.][and adopts the terms of reference for the arrangement, annexed to the present resolution, to be funded by voluntary contributions.]

IPEN: [All stakeholders agree to establish an arrangement, process or subsidiary structure comprising of finance and other relevant experts to keep sound management of chemicals and waste, capacity building, technology, finance and other resource mobilization sources and initiatives under review.]

Japan: [All stakeholders agree to establish an arrangement, process or subsidiary structure comprising of finance and other relevant experts to keep sound management of chemicals and waste, capacity building, technology, finance and other resource mobilization sources and initiatives under review.]

Paragraphs 4 and 5 do not have any brackets. Therefore, the co-facilitators have not requested any views or comments on these paragraphs.

A. MAINSTREAMING (Page 15, Paragraphs 6-7)

Concrete mechanisms and actions to achieve mainstreaming of the sound management of chemicals and waste at the national level

Paragraph 6: Governments should implement actions to promote further mainstream the sound management of chemicals and waste in national development plans, domestic budgets and relevant sector policies. 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.

Proposed text by the co-facilitators based on the written submissions from stakeholders

ALT 6. Governments should implement actions **in accordance with their national laws, regulations and policy priorities**³ to promote further mainstream the sound management of chemicals and waste in national development plans, domestic budgets and relevant sector policies. For [developing countries and countries with economies in transition] [**Low and Middle Income Countries**]⁴, 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]⁵ increase their access to ~~[significant]~~ funding for national priorities in relation to chemicals and waste.

Summary of stakeholders' views from written submissions and oral interventions:

- [may]: is supported by two stakeholders (Switzerland, US)
 - [will]: is supported by two stakeholders (Brazil, EU and its Member States)
 - [should]: is supported by two stakeholders (Canada, IPEN, Peru)
 - access to [significant] funding...: A stakeholder (Switzerland) supports the removal of brackets for significant, whereas four other stakeholders (Canada, IPEN, Peru, US) are in favour of deleting the term.
1. Some stakeholders (the African group, GAHP) do not see the value of adding “governments should implement actions in accordance with their national laws, regulations and policy priorities”, as it is what governments normally ought to do.
 2. A stakeholder (Iran) underlined that for some national laws and regulations, having an obligation to integrate the SMCW may not be feasible as financial resources, technical assistance and capacities are required in order to do such integration.
 3. Some stakeholders (GAHP, UNEP) supported the replacement of “developing countries and countries with economies in transition” with “Low and Middle-income countries”, which is another recognized category and terminology used by the OECD for official development assistance.
 4. Other stakeholders (African group, Brazil and Nigeria) wish to retain the reference to “developed and developing countries and economies in transition” for the reasons that when talking about mainstreaming, it should not be only the responsibility of the receiving/importing country but rather the producers' responsibilities, as well as the responsibilities of developed countries where these industries are located.
 5. Another stakeholder (Iran) suggests adding that governments should implement actions "in accordance with their national laws, regulations and policy priorities".
 6. A stakeholder (GAHP) suggested simplifying the wordy sentence by simply saying ““Low and Middle Income Countries, the mainstreaming of their national chemicals and waste priorities into the ~~development~~ planning processes for ~~funding as part of~~ official development assistance (...)”, which would make it clearer that it is just a statement of fact.
 7. A suggestion was reiterated by a stakeholder (CIEL) for the Secretariat to implement the recommendation from the evaluation of the integrated approach, to make a formal request to donors to signal clearly, internally and externally, that the sound management of chemicals and waste are a fundamental component of development plans.

Clean redlined text from stakeholders:

³ Suggestion for inclusion from Iran

⁴ Suggestion from UNEP

⁵ A range of different views exist on these brackets

IPEN : 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 [should] increase their access to [significant] funding for national priorities in relation to chemicals and waste.

Iran: Governments should implement actions to promote further mainstream the sound management of chemicals and waste in national development plans, domestic budgets and relevant sector policies. For developing countries and countries with economies in transition, the mainstreaming of their national chemicals and waste **in accordance with their national laws, regulations and policy 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.]

UNEP: Governments should implement actions to promote further mainstream the sound management of chemicals and waste in national development plans, domestic budgets and relevant sector policies. For ~~developing countries and countries with economies in transition~~ **Low and Middle Income Countries**, 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] [adequate] funding for national priorities in relation to chemicals and waste.

Paragraph 7: [Countries should [strive] [seek] to mainstream the sound management of chemicals and waste into their development aid priorities.] [Governing bodies of international, regional and national development banks are encouraged to also expressly integrate sound management of chemicals and waste activities in the scope of activities they fund.]

Proposed text by the co-facilitators based on the written submissions from stakeholders

ALT 7. [High income⁶ countries should [strive] to mainstream the sound management of chemicals and waste into their **development assistance** priorities.] [Governing bodies of international, regional and national development banks are **invited** to also expressly integrate sound management of chemicals and waste activities in the scope of activities they fund.]

Summary of stakeholders' views from written submissions and oral interventions:

- [strive]: is supported by three stakeholders (Brazil, Canada, Peru, Switzerland).
 - [seek]: is supported by one stakeholder (IPEN).
 - A stakeholder (Canada) proposed an alternative “endeavor to”.
1. Several stakeholders (African Group, EU and its Member States, GAHP) supported the wording “should mainstream” rather than “strive” for the reasons that it implies action and is consistent with the language used in the integrated approach.
 2. Nigeria suggested the verb “encourage” instead of both proposals to go beyond inviting the stakeholders and to encourage them to take concrete action.
 3. Another suggestion raised by a stakeholder (GAHP) is to add a contextual sentence in this paragraph on the health impacts of chemical pollution, being particularly severe for vulnerable groups such as women, children and marginalized people, to help persuading development departments that chemicals and waste is also an issue of concern for them.
 4. A stakeholder (UNEP) suggests adding "High Income" to "Countries"

⁶ Proposal from UNEP

5. One stakeholder supported the suggestion of “high income countries” and proposed adding “other countries in a position to do so” to have a wider scope of possible donor countries (e.g. China), whereas the EU and its member states suggested to replace it with “governments” in order to have a consistency with the previous paragraphs.
6. One stakeholder (US) notes it is more appropriate to “invite” rather than “encourage” to take any action.

Clean redlined text from stakeholders:

Canada: {Countries should ~~{strive}~~{seek} to mainstream the sound management of chemicals and waste into their development aid priorities.} {Governing bodies of international, regional and national development banks are encouraged to also expressly integrate sound management of chemicals and waste activities in the scope of activities they fund.}

ALT 1: Countries should ~~{strive}~~{seek}{endeavor to} mainstream the sound management of chemicals and waste into their development aid priorities...

ALT 2: Countries should ~~{strive}~~{seek} to mainstream the sound management of chemicals and waste into their development aid priorities...

IRAN: [Countries should [strive] [seek] to mainstream the sound management of chemicals and waste into their development aid priorities.] [Governing bodies of international, regional and national development banks are encouraged to also expressly integrate sound management of chemicals and waste activities in the scope of activities they fund.]

UNEP: [High Income Countries should [strive] [seek] to mainstream the sound management of chemicals and waste into their development aid priorities.] [Governing bodies of international, regional and national development banks are encouraged to also expressly integrate sound management of chemicals and waste activities in the scope of activities they fund.]

B. PRIVATE-SECTOR INVOLVEMENT (Page 15, Paragraphs 8 – 11)

How would private sector involvement support the sound management of chemicals and waste?

All stakeholders are of the opinion that private sector involvement is necessary for achieving the sound management of chemicals and waste. The stakeholders highlighted that industry contributions from all sectors have to be strengthened and that governments should encourage the private sector to assume greater responsibility and increase their contributions, through concrete mechanisms such as developing legislation on cost recovery, as well as implementing incentives and appropriate economic instruments for the industry to internalize external costs.

In addition, the participants expressed the necessity to define responsibilities for chemical safety at production sites and in the supply chain, and to implement the principles of extended producer responsibility, the polluter pays principle, as well as to implement the GHS and the payment of fees and taxes for the private sector. Both voluntary actions by users of chemicals to replace hazardous chemicals with safer alternatives as well as, mandatory actions should be quantified and mapped to identify existing contributions and related actions.

However, some stakeholders raised concerns for standardising policies as would restrict the flexibility of the country in implementing these policies in accordance with their national circumstances, legislation and regulatory policies. This level of details would be better suited in a resource mobilization strategy. In addition, a portion of the participants asked for more clarity and further elaboration regarding paragraphs 11 and alt 11 notably on what is called upon on developing the guidance or on who we are targeting with “financial sector” or “investors”.

IPEN proposed the implementation of a coordinated tax or fee by governments on the production of basic chemicals that make feedstock chemicals to finance chemical safety actions. Funds leveraged from this global tax or fee could flow into an existing international fund or a new fund to be created. Similarly, the African Group submitted a proposal for the chemical industry to contribute 0.5% of the industry's annual revenue to fund the implementation of SAICM National Implementation Plans which will include but not limited to chemical and waste management activities, clean-up of hazardous waste and remediation of contaminated areas.

Additional considerations:

1. Governments to implement actions to internalize external costs and implement cost recovery mechanisms from the private sector (African Group, EU and its Member States, IPEN, US).
2. Private sector to comply with the extended producer responsibility (African Group, EU and its Member States, Norway, UNDP).
3. Communication channels to be created for the private sector to propose ideas, actions, and measures to support further implementation of the sound management of chemicals and waste (Canada, EU and its Member States, Japan, Norway).
4. There are concerns with the calls for the financial sector to develop guidance (paragraph 11), as it is unclear what entity or entities would be responsible and what would be the impact (US).

Paragraph 8: [[Private-sector entities throughout the value chain [should] increase their [financial] contributions to the implementation of the sound management of chemicals and waste, in order to [avoid, or where not possible mitigate] [cover the costs of] their impacts on the environment and on health.] [These contributions (e.g. through agreed levies) should seek to finance, among others, the identification and communication of hazards, comprehensive risk assessment and the measures for its mitigation, strengthening of all stakeholder's technical capacity, implementing PRTRs, prevention of exposure, the attention of exposed communities [, compensation for resulting environmental and human harms] and contaminated sites remediation.]]

Summary of stakeholders' views from oral interventions:

1. The EU and its Member States proposed changes to the text of paragraph 8 (presented below). While two stakeholders (ICCA, US) supported those proposed changes, other stakeholders (IPEN, GRULAC) asked for more time to consider the EU proposal.
2. One stakeholder (US) noted that paragraphs 8, 9 and 10 are duplicative and it might be worth grouping them into one or two paragraphs.
3. One representative of the GRULAC region suggested to reflect in the paragraph text the following: "In addition to increase the financial contributions, private sector entities should increase their contributions through a range of approaches and partnerships".
4. Iran supported the idea that the private sector engagement should include both financial contributions as well as in-kind contributions and capacity building.
5. The Africa Group reiterated their proposal of establishing a financial contribution of 0.5% of industry's annual turnover.
6. One stakeholder (CTECO) requested that private sector contributions should be used for Community Based Disaster Risk Management (CBDRM).

Clean redlined text from stakeholders:

EU and its Member States: ~~[[Private-sector entities throughout the value chain {should} increase their efforts and {financial} contributions, including in-kind, to the implementation of the sound management of chemicals and waste, in order to {avoid, or where not possible mitigate} {cover the costs of} their impacts on the environment and on health.]~~

{These contributions (eg. through agreed levies) should be used to support domestic chemicals management schemes and to finance the costs of, among others, **data generation and data sharing**, the identification and communication of hazards, comprehensive risk assessment and the measures for its mitigation, strengthening of all stakeholder’s technical capacity, implementing PRTRs, prevention of exposure, the attention of exposed communities {, compensation for resulting environmental and human harms} and contaminated sites remediation.}}

Proposed textual changes during the 4th virtual meeting of the VWG held on 10 February 2021 by the EU and its Member States, with a number of additions or deletions of text from VWG participants: [Private-sector throughout the value chain should increase their efforts and financial contributions, including in-kind [and through a range of approaches and partnerships (add GRULAC)], to the implementation of the sound management of chemicals and waste, in order to avoid, or where no possible mitigate [their (delete CIEL)] inputs on the environment and health. These contributions should be used to support domestic chemicals management schemes and to finance the costs of, and among others, data generation, the identification and communication of hazards, comprehensive risk assessment and the measures for its mitigation, strengthening of all stakeholder’s technical capacity, implementing PRTRs, prevention of exposure, the attention of exposed communities, compensation for resulting environmental and human harm and contaminated sites remediation.]

Paragraph 9: [The private sector [shall] [should] [comply with] [implement] extended producer responsibility.] [Governments should also 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 the sound management of chemicals and waste; and the promotion of measures by industry to internalise costs [using economic instruments to recover and shift costs to private from public sector] [,including the polluter pays approach] [as per the polluter pays principle].

Summary of stakeholders’ views from oral interventions:

1. The EU and its Member States proposed changes to the text of paragraph 9 (presented below). A number of stakeholders (Africa Group, Brazil, IPEN, ICCA, US) supported the general idea of this paragraph as edited by the EU and its Member States
2. ICCA noted that they would encourage flexibility regarding the way countries implement the polluter-pays principle and extended producer responsibilities based on their national circumstances.
3. CTECO reiterated that in order for private sector contributions to be managed in a transparent manner and that there is accountability, the contributions should be used for CBDRM.
4. The US considered the first and last parts of the paragraph too prescriptive considering that countries have different approaches to internalizing costs.
5. IPEN, supported by the Africa Group, reiterated the proposal of a globally coordinated tax or fee by governments on the production of basic chemicals that make feedstock chemicals to finance chemical safety actions and suggested to include a reference before “levies and taxes” in the text proposal provided by the EU and its Member States. IPEN also suggested to include “to encourage governments to establish a global fund” in this paragraph.
6. GAHP proposed that the issue of “levies and taxes” should be included in a separate paragraph given their importance. It also highlighted that the removal of elements such as the internalization of costs and the polluter pays principle would be a reversion considering that those principles had been already agreed by governments at the Rio Conference in 1992. Nevertheless, GAHP would support the ICCA proposal to include “such as” before the “extended producer responsibility” to reflect that countries apply the principle differently or have a different name for it.
7. Brazil also proposed to add after “as set forth in national regulations” after “extended producer responsibility”,

8. Iran expressed its support for both the polluter pays and extended producer responsibility principles to be retained in the text and proposed the removal of the brackets in the text. Iran also requested the addition of “inter alia” after “action”.

Clean redlined text from stakeholders:

EU and its Member States: ~~[The private sector [shall] [should] [comply with] [implement] extended producer responsibility.] [Governments should also implement actions, legislation and appropriate economic instruments, to further encourage private sector industry involvement in the integrated approach, including the development of legislation on the responsibilities of industry and national administration; levies and taxes; the provision of incentives for the sound management of chemicals and waste; and the promotion of measures by industry to internalise costs [using economic instruments to recover and shift costs to private from public sector] [,including the polluter pays approach] [as per to further implement the polluter pays principle and extended producer responsibility].]~~

Proposed textual changes during the 4th virtual meeting of the VWG held on 10 February 2021 by the EU and its Member States, with a number of additions or deletions of text from VWG participants: [Governments should implement actions, legislation and appropriate economic instruments, [inter alia, (add Iran)] to further encourage private sector involvement in the integrated approach, including the responsibilities of industry and national administration; [globally coordinated (add CIEL)] levies and taxes; the provision of incentives for the sound management of chemicals and waste; and the promotion of measures by industry [such as (add USA)] to internalise costs to further implement the polluter pays principle and extended producer responsibility [as set forth in national regulations (add Brazil)].]

Paragraph 10: [Private-sector entities throughout their investment and [value chain] [supply chain] should increase their contributions to the implementation of the sound management of chemicals and waste through a range of approaches and partnerships.]

ALT 10: [In line with the three components of the integrated approach to financing, i.e. mainstreaming, private sector involvement and dedicated external finance, private sector to commit to support the SAICM goal of sound management of chemicals and waste by providing investment and in-kind contributions, including through fees paid to support domestic chemicals management schemes, data generation, partnerships, capacity building and global GHS implementation. Private sector to further advance the sound management of chemicals and waste through in-kind commitments to innovation, training, safety and sustainability initiatives as well as compliance with chemical regulatory requirements in jurisdictions around the globe.]

Summary of stakeholders' views from oral interventions:

1. Most stakeholders recommended to use ALT 10 as the basis for further discussions on this paragraph.
2. ICCA indicated that paragraph 10 might be redundant if paragraphs 8, 9 and 10 are looked at in conjunction. It indicated that one solution could be to include that the private sector “should increase contributions through a range of approaches and partnerships” into paragraph 8, and therefore, suggested to delete this paragraph 10 in its entirety.
3. GAHP supported the ICCA’s proposal to include any important parts of ALT 10 into 8. It further noted that GHS would be a collaboration between industry, government and others and such reference could be placed elsewhere. ICCA and the US supported GAHP’s proposal while UNITAR and ILO prefer to retain the reference of GHS in this paragraph.
4. The EU and its Member States proposed changes to the text of paragraph ALT 10 (presented below) to ensure that industry is responsible for GHS implementation and does not pay national administrations to do this work. IPEN noted that it would reserve the opportunity to comment on this new proposal at

a later stage since there would be confusion with the different versions of the text. Iran and GRULAC also asked for more time to consider this paragraph.

5. The US highlighted the need to ensure that the text proposal provided by the EU and its Member States needs to be reviewed in light of the non-binding nature of the new instrument.
6. The EU and its Member States clarified that by including “going beyond its legal obligations” it wanted to acknowledge that different kinds of legislation exist in different countries and to emphasize the existence of voluntary initiatives. However, they would be open to discuss a better wording.
7. Regarding the EU and its Member States’ proposal to add “going beyond its legal obligations” UNEP’s shared their experiences working with downstream users whose efforts to soundly manage chemicals is done through voluntary investments and goes beyond legal obligations.
8. UNEP also considered that the call for action in this paragraph could be made clearer. For example, it would be important for regulators and the rest of the supply chain to see that actions are possible and taking place. Therefore, the call to action should include consistent reporting on implementation of what is being in the beyond 2020 instrument.
9. The Africa Group was not in favour of the proposal to include “going beyond its legal obligations” in this paragraph.

Clean redlined text from stakeholders:

EU and its Member States: [In line with the three components of the integrated approach to financing, i.e. mainstreaming, private sector involvement and dedicated external finance, private sector **while going beyond its legal obligations** to commit to support the **Beyond 2020 objectives and targets** SAICM goal of sound management of chemicals and waste by providing investment and in-kind contributions, including **to implement the GHS globally and** through fees paid to support domestic chemicals management schemes, **including enforcement, data generation, data sharing, partnerships, and capacity building and global GHS implementation.** Private sector to further advance the sound management of chemicals and waste through in-kind commitments to innovation, training, safety and sustainability initiatives as well as compliance with chemical regulatory requirements in jurisdictions around the globe.]

Proposed textual changes during the 4th virtual meeting of the VWG held on 10 February 2021 by the EU and its Member States, with a number of additions or deletions of text from VWG participants: [In line with the three components of the integrated approach to financing, i.e. mainstreaming, private sector involvement and dedicated external finance, private sector while going beyond its legal obligations to commit to support the beyond 2020 objectives and targets of sound management of chemicals and waste by providing investment and in-kind contributions, including to implement the GHS globally and through fees paid to support domestic chemicals management, including enforcement, data generation, data sharing, partnerships, and capacity building. Private sector to further advance the sound management of chemicals and waste through in-kind commitments to innovation, training, safety and sustainability initiatives as well as compliance with chemical regulatory requirements in jurisdictions around the globe.]

Paragraph 11: [The financial sector is asked to develop guidance for investing in companies that have chemicals management schemes in place [, for example, the development of loan criteria for sustainable banking].]

ALT 11: [Invites the financial sector to develop guidance and recommendations for investors to minimize economic risks associated with unsound chemicals and waste management, with the goal to facilitate investment flows towards safer chemicals and waste management, including through the development of sustainability-centered loan criteria for the banking sector engaged with companies in the chemicals and waste sector and associated sectors.]

Summary of stakeholders' views from oral interventions:

1. Most stakeholders recommended to use ALT 11 as a starting point for the ensuing discussions on this paragraph.
2. Two stakeholders (US, ICCA) noted that this guidance should be to Multi Development Banks rather than the financial sector and requested that the whole paragraph 11 is put in brackets.
3. ICCA and Canada further noted that targeted development banks would ensure that the financing goes beyond chemicals and waste and links to biodiversity, climate change and sustainability agendas for which similar guidance are being developed.
4. The EU and its Member States proposed some text edits in paragraph ALT 11 (presented below).
5. The Africa Group and IPEN pointed out that the insurance sector should be included in this paragraph.
6. The Africa Group – supported by ITUC and IPEN - also expressed that in order to address the double standards of multinational companies operation in developed versus developing countries there is a need to address basic minimum standards to guide companies in different countries ensuring that their operations protect the environment and human health irrespective of the national legislations. This would be directly linked to the issue Africa has raised on double standards of operation of multinationals in developed versus developing countries.

Clean redlined text from stakeholders:

EU and its Member States: ~~Invites the financial sector to develop policies, guidance and recommendations for investors investments to minimize economic risks associated with unsound chemicals and waste management, with the goal to facilitate investment flows towards safer chemicals and waste management, including through the development of sustainability-centered loan criteria for the banking and investment sector engaged with companies in the chemicals and waste sector and associated sectors.]”~~

Proposed textual changes during the 4th virtual meeting of the VWG held on 10 February 2021 by the EU and its Member States, with a number of additions or deletions of text from VWG participants: [Invites the [financial sector (delete USA)] [Multilateral Development Banks (add USA)] to develop policies, guidance and recommendations for investments to minimize economic risks associated with unsound chemicals and waste management [and its link to biodiversity and climate change (add ICCA)], with the goal to facilitate investment flows towards safer chemicals and waste management [and cleaner production (add Africa)], including through the development of sustainability-centered loan criteria for the banking and investment sector engaged with companies in the chemicals and waste sector and associated sectors.]

Capacity building clearinghouse

A detailed proposal by ICCA was made for a capacity-building clearing house mechanism. ICCA noted that many capacity-building efforts are already being undertaken by various stakeholders, but they lack coordination and a common place to meet and to be visible. This mechanism will serve as a common marketplace to bring together these initiatives, for mapping existing capacity-building efforts and to help track progress and generate additional funding. The detailed proposal can be found on the [SAICM website](#).

The co-facilitators thought that a more detailed, in depth discussion, on the ICCA Proposal for a Capacity Building Clearinghouse and a possible merger of three alternative paragraphs in the section B “Private-Sector Involvement” would be the most effective and efficient way forward to seek common ground on these issues and thus progress the VWG work. The co-facilitators asked one stakeholder to manage the discussions in that small group. ICCA volunteered to pick up that role, following the same approach used

at the IP3 meeting held in Bangkok in 2019. ICCA reported back on the process and the discussions carried out on the two areas given to the small group to deliberate. [A detailed report](#) is available for further reference.

C. DEDICATED EXTERNAL FINANCING

Paragraph 12: [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.]

Proposed text by the co-facilitators based on the written submissions from stakeholders

ALT 12. {Stakeholders should⁷ further strengthen the component of dedicated external financing}, including from development assistance aid, innovative donor sources, which can be facilitated by mainstreaming at the national level.}

Summary of stakeholders' views from written submissions and oral interventions:

1. Stakeholders suggested to remove the brackets around this paragraph.
2. Six stakeholders (Brazil, Canada, the EU and its Member States, IPEN, Peru and the US) support the choice of “further strengthen the component of dedicated external financing” over “secure funds”, with the exception of Japan, which Japan prefers the latter.
3. Canada and the EU and its Member States also suggest some editorial changes to make this paragraph clearer.
4. Iran does not provide a position on the removal of brackets around this paragraph. However, it reiterates that stakeholders in a position to provide external financing and development aid are better fit to mainstream that funding at the national level and to secure those funds.

Clean redlined text from stakeholders:

Brazil: [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.]

Canada: {Stakeholders should ~~{secure funds}~~ [further strengthen the component of dedicated external financing], including from development assistance aid, ~~from and~~ innovative donor sources, which can be facilitated by mainstreaming at the national level.}

IPEN: 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.

Japan: [Stakeholders should ~~{seek to 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.]

EU and its Member States : [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.]

Establishment of an International Fund

⁷ Japan proposes to retain the words “secure funds” instead of “further strengthen (...)”

Paragraphs 13 and 14 are currently in brackets. Based on the discussion at IP-3 and the written inputs and views that have been heard during the meetings of the Virtual Working Group on Financial Considerations, there are divergent views on the establishment of an International Fund. Therefore, the co-facilitators propose to leave these paragraphs in brackets for further discussions and deliberations at IP-4.

Global Environment Facility, UNEP Special Programme and other multilateral, regional and bilateral programmes

Paragraph 15. [Donors should [continue to] provide dedicated external financing, including, for example, resources to support the Global Environment Facility and other multilateral, regional and bilateral sources of financing, and to support the effective implementation of the Special Programme to support institutional strengthening at the national level for the implementation of the Basel, Rotterdam and Stockholm conventions, the Minamata Convention and the Strategic Approach to International Chemicals and Waste Management.]

Proposed text by the co-facilitators based on the written submissions from stakeholders

ALT 15. Donors should [further strengthen the component of]⁸ dedicated external financing, including, for example, resources to support the Global Environment Facility and other multilateral, regional and bilateral sources of financing, and to support the effective implementation of the Special Programme to support institutional strengthening at the national level for the implementation of the Basel, Rotterdam and Stockholm conventions, the Minamata Convention and the Strategic Approach to International Chemicals and Waste Management.

Summary of stakeholders' views from written submissions and oral interventions:

1. The GEF and UNEP Special Programme provide direct support to SAICM. Some stakeholders pointed out that it is important to also keep in mind that the overall SMCW agenda is also supported by others financial mechanisms of the MEAs including the Montreal Protocol's Multilateral Fund, Minamata Specific International Programme and trust funds of various conventions and protocols.
2. Stakeholders indicated that there is also a need to explore synergies with a number of other areas such as circular economy , climate change, biodiversity and the green recovery to Covid-19 that require significant financing that either has been or will be dedicated to them for which chemicals and waste plays an important role.
3. It was noted that the GEF and the Special Programme have specific governing bodies that take decisions and it will be important that ICCM5 provides clear guidance to these two funding mechanisms on what SAICM or the new framework is expecting from them and the priority actions to be funded.
4. Stakeholders were of the view that ICCM5 should communicate to the GEF on its needs to support the implementation of the beyond 2020 framework ahead of the GEF-8 replenishment, especially focusing on elements which contribute to global environmental benefits. Options could include the need to operationalize the Overall Orientation Guidance elements, as well as the strategic objectives and targets currently under discussion.
5. It was noted that the current GEF chemicals and waste focal area includes funding for the chemicals and waste conventions (Stockholm and Minamata Conventions) and the Montreal Protocol. There should be a call to increase the portion of GEF funding available for SAICM implementation (IPEN).
6. None of the stakeholders oppose to the removal of brackets around this paragraph.
7. Three stakeholders (Brazil, the EU and MS, Japan) suggest deleting "continue to", while three stakeholders (Canada, IPEN and Peru) suggest retaining "continue to" and support the removal of

⁸ Proposal from the EU and its Member States

brackets around these words. The United States is flexible on whether or not to include the “continue to” phrase.

8. The EU and its Member States suggest deleting "continue to" and add new text: "further strengthen the component of"; and "the establishment of mechanisms for domestic resource mobilization"
9. Japan suggests deleting "continues to" and add "where possible".
10. Switzerland suggests an editorial change to list the MEAs referenced therein in alphabetical order.

Clean redlined text from stakeholders:

Brazil: [Donors should ~~continue to~~ provide dedicated external financing, including, for example, resources to support the Global Environment Facility and other multilateral, regional and bilateral sources of financing, and to support the effective implementation of the Special Programme to support institutional strengthening at the national level for the implementation of the Basel, Rotterdam and Stockholm conventions, the Minamata Convention and the Strategic Approach to International Chemicals and Waste Management.]

Canada: ~~Donors should continue to~~ provide dedicated external financing, including, for example, resources to support the Global Environment Facility and other multilateral, regional and bilateral sources of financing, and to support the effective implementation of the Special Programme to support institutional strengthening at the national level for the implementation of the Basel, Rotterdam and Stockholm conventions, the Minamata Convention and the Strategic Approach to International Chemicals and Waste Management.]

EU and its Member States: [Donors should ~~continue to~~ **further strengthen the component of** dedicated external financing **to support the establishment of mechanisms for domestic resource mobilization**, including, for example, ~~resources~~ **through contributions** to support the Global Environment Facility and other multilateral, regional and bilateral sources of financing, and to support the effective implementation of the Special Programme to support institutional strengthening at the national level for the implementation of the Basel, Rotterdam and Stockholm conventions, the Minamata Convention and the Strategic Approach to International Chemicals and Waste Management.]

Japan: [Donors should ~~continue to~~, **where possible**, provide dedicated external financing, including, for example, resources to support the Global Environment Facility and other multilateral, regional and bilateral sources of financing, and to support the effective implementation of the Special Programme to support institutional strengthening at the national level for the implementation of the Basel, Rotterdam and Stockholm conventions, the Minamata Convention and the Strategic Approach to International Chemicals and Waste Management.]

IPEN: ~~Donors should continue to~~ provide dedicated external financing, including, for example, resources to support the Global Environment Facility and other multilateral, regional and bilateral sources of financing, and to support the effective implementation of the Special Programme to support institutional strengthening at the national level for the implementation of the Basel, Rotterdam and Stockholm conventions, the Minamata Convention and the Strategic Approach to International Chemicals and Waste Management.]

UNEP: [Donors should [continue to] provide dedicated external financing, including, for example, resources to support the Global Environment Facility and other multilateral, regional and bilateral sources of financing, and to support the effective implementation of the Special Programme to support institutional strengthening at the national level for the implementation of the Basel, Rotterdam and Stockholm conventions, the Minamata Convention and the Strategic Approach to International Chemicals and Waste Management.]

Paragraph 16: [All stakeholders recommend to UNEA that the Special Programme should be reformed to adjust to the multi-stakeholder, multi-sectoral nature and scope of the Strategic Approach.]

Summary of stakeholders' views from written submissions and oral interventions:

1. There was overall support from the participants for an extension of the Special Programme. Many participants also showed their interest in exploring resource mobilization strategies to raise different types of external financing and ways to increase the multi-stakeholder and multi-sectoral access to funding.
2. UNEP provided their views on concrete actions to support the implementation of the Beyond 2020 framework, including (i) mapping of guidance through the development assistance and programmes' landscape based on document IP.3/8 prepared by UNEP; (ii) regular exchange with relevant programs and funds to mainstream and better incorporate SMCW activities; (iii) implementation of the proposals made with regard to mainstreaming (listed above); (iv) the extension of the Special Programme, as well as, promoting synergies with funding in other sectors, for example climate change.
3. Although a number of participants supported the creation of a new International Fund, some stakeholders noted that the effective operation of the Special Programme should be given priority before creating a new financial mechanism, which will require additional costs for its management.
4. IPEN pointed out that all SAICM stakeholders should have access to the Special Programme funding to address civil society financing and this should be signaled to the upcoming UNEA. Otherwise, there would be a gap on financial resources needed for stakeholders to implement the beyond 2020 instrument.
5. IPEN also suggested to broaden the scope of activities eligible for funding of the Special Programme, which currently concentrate on only those falling outside of the GEF mandate which undermines synergies. The duration of the Special Programme should also be addressed.
6. Four stakeholders (Brazil, Japan, UNEP, US) oppose to this paragraph and recommend deleting it.
7. Three stakeholders (Canada, IPEN and WHO) favoured the removal of the brackets around this paragraph. Canada suggests substituting the word "reformed" by "reviewed".
8. Other three stakeholders (the EU and its Member States, Iran and Switzerland) recommend keeping this paragraph in brackets as further discussion is needed.

Clean redlined text from stakeholders:

Brazil: ~~[All stakeholders recommend to UNEA that the Special Programme should be reformed to adjust to the multi-stakeholder, multi-sectoral nature and scope of the Strategic Approach.]~~

Canada: ~~[All stakeholders recommend to UNEA that the Special Programme should be reformed to reviewed and adjusted to better reflect the multi-stakeholder, multi-sectoral nature and scope of the Strategic Approach.]~~

EU and its Member States: ~~[All stakeholders recommend to UNEA that the Special Programme should be reformed to reviewed and adjusted to better reflect the multi-stakeholder, multi-sectoral nature and scope of the Strategic Approach.]~~

Japan: ~~[All stakeholders recommend to UNEA that the Special Programme should be reformed to adjust to the multi-stakeholder, multi-sectoral nature and scope of the Strategic Approach.]~~

UNEP: ~~[All stakeholders recommend to UNEA that the Special Programme should be reformed to adjust to the multi-stakeholder, multi-sectoral nature and scope of the Strategic Approach.]~~

US: ~~[All stakeholders recommend to UNEA that the Special Programme should be reformed to adjust to the multi-stakeholder, multi-sectoral nature and scope of the Strategic Approach.]~~

II. ESTABLISHMENT OF AND ENGAGEMENT IN MULTISECTORAL PARTNERSHIPS (Page 16)

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.

Proposed text by the co-facilitators based on the written submissions from stakeholders

ALT 17. Stakeholders are encouraged to create and implement multi-sectoral **transparent and accountable** partnerships [linked to the 2030 Agenda]⁹ to effectively address **the sound management of chemicals and waste**¹⁰ **identified for action under the beyond 2020 instrument**¹¹. Stakeholders are also encouraged to explore funding opportunities by engaging mechanisms in all sectors.

Summary of stakeholders' views from written submissions and oral interventions:

1. Seven stakeholders (Brazil, Canada, EU and its Member States, IPEN, Japan, US, Switzerland) supported the co-facilitators proposal to replace "issues of concern" by "sound management of chemicals and waste".
2. However, two stakeholders (Canada and Switzerland) propose to add "identified for action under the beyond 2020 instrument" or a reference to "issues of concern" to provide focus and encourage stakeholders to take action on issues specifically identified.
3. UNEP suggests deleting this paragraph from this section as it is already included in the Part VI on Implementation Mechanisms.
4. Three stakeholders (the EU and its Member States, IPEN and Japan) were of the view to remove the brackets around "transparent and accountable" and "linked to the 2030 agenda" from this paragraph.
5. Peru suggests keeping "linked to the 2030 agenda" and delete "transparent and accountable".
6. Three stakeholders (Brazil, Canada and US) suggest deleting the reference to the 2030 Agenda currently in brackets, while WHO seeks further clarification on this reference.

Clean redlined text from stakeholders:

Brazil: "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 ~~specific~~ chemicals and waste [~~issues of [international] concern~~]. Stakeholders are also encouraged to explore funding opportunities by engaging mechanisms in all sectors."

Canada: Stakeholders are encouraged to create and implement multi-sectoral [transparent and accountable] partnerships [~~linked to the 2030 Agenda~~] to effectively address sound management of chemicals and waste **identified for action under the beyond 2020 instrument**. Stakeholders are also encouraged to explore funding opportunities by engaging mechanisms in all sectors.

⁹ Divergent views in the removal of the brackets around this sentence "linked to the 2030 agenda".

¹⁰ The co-facilitators have proposed the deletion of "issues of concern" and replaced it more generally to "sound management of chemicals and waste"

¹¹ Proposal from Canada, in line with Switzerland suggestion to add focus on the issues to be addressed.

EU and its Member States: 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.

IPEN: 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.

Japan: 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 ~~specific~~ chemicals and waste ~~{issues of [international] concern}~~. Stakeholders are also encouraged to explore funding opportunities by engaging mechanisms in all sectors.

Switzerland: "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 ~~specific~~ chemicals and waste ~~{issues of [international] concern}~~. Stakeholders are also encouraged to explore funding opportunities by engaging mechanisms in all sectors. "

UNEP: ~~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 specific chemicals and waste [issues of [international] concern]. Stakeholders are also encouraged to explore funding opportunities by engaging mechanisms in all sectors.~~

3. FINANCING THE SECRETARIAT (Page 16, Paragraphs 18-22)

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.]

Proposed text by the co-facilitators based on the written submissions from stakeholders

ALT 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~~ [all]¹² [other]¹³ stakeholders.]

Summary of stakeholders' views from written submissions and oral interventions:

1. Six stakeholders (Brazil, Canada, the EU its Member States, Japan, US, Peru, Switzerland) supported the co-facilitators proposal to replace "industry" by "all" in this paragraph to encourage contributions from all stakeholders and sectors.

¹² The co-facilitators recommend to substitute [industry] by [all] in the last sentence to encourage contributions from all stakeholders and sectors, as proposed by most stakeholders and supported in the written submissions.

¹³ The word [other] was proposed by WHO, and it was supported by most stakeholders in the oral interventions

2. Switzerland also proposes to shorten this paragraph and turn it into a “chapeau” provided that the subsequent paragraphs 19-22 are maintained as in the original document outlining how different stakeholders can contribute.
3. IPEN, supported by ITUC, proposed to add the sentence “as well as through contributions from the international fund” referring to the proposal to establish a new international fund which could also be used to finance the Secretariat.
4. WHO proposes to use "other" stakeholders instead of "all" stakeholders, taking into account that governments are “stakeholders”. Most stakeholders supported this proposal from WHO.
5. Canada also proposes an alternative text to simplify the paragraph, while Japan suggests including additional text to this paragraph on the provision of predetermined expenditure codes for each budget item for voluntary and in kind-contributions.
6. On the other hand, Iran does not want to remove "industry" from this paragraph, while IPEN wishes to maintain the paragraph in brackets and discuss the whole section using the current text.
7. GAPH recalled that the lack of sufficient funding of the Secretariat – as confirmed by the Independent Evaluation of SAICM 2006-2015 – has negatively impacted the SAICM implementation. Therefore, it proposed that the language in this paragraph is strengthened as shown below. This proposal was supported by most stakeholders, which expressed their interest to further work on this proposed text).
8. Colombia expressed that the discussion on financing the Secretariat should be linked to the discussion on financial support for implementing the new instrument. It reiterated a GRULAC proposal for a specific, independent financial fund for implementation of the new instrument.
9. Iran highlighted the importance and primary role of governments and industry contributions to finance the Secretariat considering that these stakeholder groups have more financial resources. It also noted that the use of “all stakeholders” to contribute to the Secretariat budget instead of the explicit reference to the “industry” in the text creates ambiguity. He stated that the industry has not met its responsibility in this regard.
10. The Africa Group reiterated GAHP’s intervention highlighting that the independent evaluation of SAICM (2006-2015) found that the Secretariat was unable to fulfill its functions due to lack of funding. Even if the instrument is voluntary, there should be a responsibility from governments and industry to fund it. The Africa Group proposed to assess the necessary contributions and then communicate what is expected from governments and industry in terms of financial contributions, while noting that noting that governments also have the responsibility for mainstreaming at the national level.
11. The EU and its Member States expressed that they would also consider sustainable and predictable funding and that any approach in this regard should be voluntary but indicative.

Clean redlined text from stakeholders:

Brazil: [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~~ all stakeholders.]

Canada: ~~[A core budget for the beyond 2020 instrument, financed by voluntary contributions, 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 all stakeholders.]~~ All stakeholders are welcome to provide voluntary contributions to the core budget.

GAHP: [A core budget for the beyond 2020 instrument for the operating costs of the Secretariat, including conference services, meetings, staff costs and office costs, is essential. The core budget should be financed by voluntary contributions from governments based on an indicative scale and contributions from other stakeholders in accordance with their abilities.]

Japan: [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~~ all stakeholders.]

Paragraph 18bis: *Where possible, possible items with predetermined expenditure codes provided to each item for voluntary and in-kind contribution are identified at the beginning of the budget cycle by an agreement between the respective organization and the Secretariat.*

Switzerland: [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~~ all stakeholders.]

UNEP: [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~~ all stakeholders.]

Contributions from stakeholders to finance the Secretariat

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.

Paragraph 20: Inter-governmental Organization stakeholders support the work of the secretariat inter alia by contributing human resources, including through secondment as appropriate, and 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 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 contributing human 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.]

Proposed text by the co-facilitators based on the written submissions from stakeholders¹⁴

ALT 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

¹⁴ The alternative text below takes into account the proposals made by Canada and Japan to streamline the text and specify the types of contributions rather than category of stakeholders. Paragraphs 21 and 22 are proposed to be deleted.

contribution would be according to the UN scale of assessment. Countries are encouraged to contribute at least this amount.]¹⁵

ALT 20. All stakeholders support the work of the Secretariat by voluntarily contributing financial and in-kind resources, as appropriate, including but not limited to:

- a) supporting the work of the Secretariat through voluntary financial contributions.
- b) supporting the work of the Secretariat by contributing in-kind resources, including through secondment as appropriate, and sector related work of the secretariat.
- c) supporting the work of the Secretariat through hosting meetings, sector participation at meetings, support for production and dissemination of outputs of 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.

Summary of stakeholders' views from written submissions and oral interventions:

1. Seven stakeholders (Brazil, Canada, the EU and its Member States, Japan, UNEP, US, WHO) suggested to remove the brackets around paragraph 19 and also support the proposal of an alternative text for paragraph 20 to streamline the text.
2. Three stakeholders (Iran, IPEN, Switzerland) do not support the proposal of alternative text for paragraphs 20-22 and suggest retaining the original text.
3. Peru suggests an alternative to paragraph 19 to synthesize the brackets and supports the proposal for paragraph 20.
4. Switzerland considers important to name each sector to design specific types of contributions and recall that efforts of all stakeholders are needed, while IPEN states that the proposal does not address the underlying issue: underfunding of the Secretariat.
5. The EU and its Member States reiterates support for applying the UN scale of assessment to estimate voluntary contributions of governments, and for developing a comparable reference to determine indicative contributions of non-governmental stakeholders, while Japan and the US do not support the use of this indicative reference.
6. IPEN also indicated that the text should reference that contributions should be non-earmarked to enable the Secretariat to use these funds in accordance with priorities and needs. It also noted that full transparency of the legal agreements for the provision of funding or other in-kind contributions by stakeholders is required. GAHP and the US recommend including a reference to transparency in the text.
7. Japan noted that in this text proposal, the Secretariat would be requested to list the expenditure costs of each item, which would serve as a basis for stakeholders to monetize and make visible their in-kind contributions.
8. WHO requested the deletion of “sector” before “sector participation” in paragraph ALT 20 c) as they consider it unnecessarily limiting and it could be misinterpreted to state that sectors other than the environment might have to fund their own participation in the beyond 2020 process. The US supported this request.
9. GAHP reminded the VWG that there is a need to differentiate between the core budget, i.e. the operational costs of the Secretariat and other activity costs. It also noted that in-kind contributions might be subject to specific UN regulations. Thus, GAHP, supported by the EU/MS, Norway, Switzerland and the US requested that the text is consulted with UNEP Finance to ensure accordance with UN rules.
10. Norway - supported by IPEN, GRULAC and Switzerland - expressed reservations regarding the how in-kind contributions are formulated in the ALT 20 text proposed by the co-facilitators. GAHP also

¹⁵ The indicative reference to the UN scale of assessment is left on brackets as there are divergent views on this point and further discussions and deliberations on this topic would be required at IP-4.

noted that the proposed ALT 20 text, as currently formulated, mixes contributions for implementation of the beyond 2020 instrument and in-kind support for the operating costs of the Secretariat.

Clean redlined text from stakeholders:

Brazil: 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.]

Paragraph 20. All stakeholders, **including governments, in accordance with their respective capacities** support the work of the Secretariat by voluntarily contributing financial and in-kind resources, as appropriate, including but not limited to:

- a) supporting the work of the Secretariat through voluntary financial contributions.
 - b) supporting the work of the Secretariat by contributing in-kind resources, including through secondment as appropriate, and sector related work of the secretariat.
 - c) supporting the work of the Secretariat through hosting meetings, sector participation at meetings, support for production and dissemination of outputs of the beyond 2020 ~~instrument~~ **framework**.
- Where possible, the contributions are defined at the beginning of the budget cycle by an agreement between the respective organization and the Secretariat.

Canada: Paragraph 20. All stakeholders support the work of the Secretariat by voluntarily contributing financial and in-kind resources, as appropriate, including but not limited to:

- a) ~~supporting the work of the Secretariat through~~ voluntary financial contributions.
 - b) ~~supporting the work of the Secretariat by~~ contributing in-kind resources, including through secondment as appropriate, and sector related work of the secretariat.
 - c) ~~supporting the work of the Secretariat through~~ hosting meetings, sector participation at meetings, support for production and dissemination of outputs of 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.

Japan: 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.]~~

Peru: 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, [for which countries are encouraged to contribute according to the UN scale of assessment.]

Switzerland : 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.]

UNEP: Paragraph 20. All stakeholders support the work of the Secretariat by voluntarily contributing financial and in-kind resources, as appropriate, including but not limited to:

- a) supporting the work of the Secretariat through voluntary financial contributions.
- b) supporting the work of the Secretariat by contributing in-kind resources, including through secondment as appropriate, and sector related work of the secretariat.
- c) supporting the work of the Secretariat through hosting meetings, sector participation at meetings, support for production and dissemination of outputs of ~~the beyond 2020 instrument.~~

WHO: Paragraph 20. c) supporting the work of the Secretariat through hosting meetings, ~~sector~~ participation at meetings, support for production and dissemination of outputs of the beyond 2020 instrument framework.

Where possible, the contributions are defined at the beginning of the budget cycle by an agreement between the respective organization and the Secretariat.

4. OPEN DISCUSSION ON CAPACITY BUILDING

Concrete mechanisms and actions regarding capacity building across sectors to support the beyond 2020 programme of work

The stakeholders noted that capacity building requires information exchange and resources and suggested some proposals of actions and mechanisms for capacity building. One stakeholder suggested the establishment of internationally recognized tiers of achievement as a way to incentivize more robust implementation of core chemicals management by countries to make further advancements in their efforts and their ability to manage chemicals and to implement SAICM.

Another proposal is to increase the coordination at the national level and to use the existing Montreal Protocol units that could be broadened to include and address chemicals and waste issues, so they can coordinate multi-disciplinary national operations for the implementation of SAICM, as well as the Basel, Rotterdam, Stockholm, and Minamata Conventions. A stakeholder noted that in this context, the work done by the IOMC organizations since 2006 in providing capacity building actions through various programmes and guidance materials, as well as the EU and its member states' programmes to support countries in capacity building could be communicated and used as references. The detailed content of these proposals can be found in the stakeholders' inputs section on the [SAICM website](#).

Additional considerations:

1. Existing capacity building support through various programmes and policy documents should be considered (EU and its Member States).
2. The importance of integrating a multi-sectoral and multi-stakeholder approach to capacity building to maximize collective efforts. (Canada, WHO).
3. Capacity building principles include coordination, collaboration, sharing knowledge and information, gender equal representation and participation of all relevant actors (IPEN, US).
4. ICCA's proposed a new Capacity Building Clearinghouse under the new SAICM that would act as an intermediary between a country with capacity building needs and a donor country and/or other stakeholders

5. US proposes the establishment of internationally recognized tiers of achievement to incentivize more robust implementation of core chemicals management, as proposed at IP3. Countries could work toward the implementation of policies and activities to reach the following tiers:

Tier 3: Take priority risk reduction actions and have a system in place to inventory and evaluate the safety of chemicals and implement further risk management activities;

Tier 2: Tier 3 and implement a compliance monitoring and enforcement strategy;

Tier 1: Tier 3, tier 2, and establish policies or incentives to encourage the development of safer alternatives and innovative and sustainable solutions

6) Next steps / Co-facilitators' recommendations

7. Co-facilitating the deliberations in a virtual setting, based on a relatively broad mandate covering complex issues, turned out to be a challenging task. With the assistance of a skillful and experienced SAICM Secretariat and an engaged and active group of stakeholders, we managed to address all elements of the Virtual Working Group's mandate.

8. We considered it of utmost importance to record the dynamics of the discussions in our group, by including in this outcome document for both sections and individual paragraphs, the analysis of written submissions, as well as, comments made during the virtual meetings. For transparency reasons we also inserted the various text suggestions provided by various stakeholders. The stakeholders inputs are also available on the [dedicated webpage](#) of the Virtual Working Group on financial considerations.

9. We believe this outcome document will provide a valuable contribution for participants during the in-person deliberations and discussions on the financial considerations at IP4.

10. Given the relatively short period (October 2020 – February 2021) for the four VWGs to conduct their work we decided to establish a small working group to have an in-depth discussion on the ICCA proposal for a capacity building clearing house and the IP3 draft recommendations on the section “private sector involvement”. Due to time constraints, mainly caused by the tied schedule of work of all VWGs and the difficulty of small delegations to participate actively, the small working group only met once.

11. Our recommendation for the modality of the VWGs would be the ability of the VWGs to establish subgroups lead by a stakeholder with the assistance of the Secretariat to further develop ideas and concrete text suggestions that could facilitate and advance deliberations in the main VWG group. This approach could work well for contentious issues or ideas like those listed below that unfortunately were not fully deliberated.

12. We would also like to suggest that the mandates for the new process is formulated in such a way that written inputs to IP4 should be limited, otherwise the IP4 process will be inundated with inputs and suggestions and may only further compound an already complicated situation at IP4.

13. Finally, we recommend that adequate time is provided across the various VWGs and that the virtual meetings are scheduled to accommodate different time zones to enable various stakeholders, for example from the Asia Pacific region to participate effectively.

14. On content the co-facilitators propose to the ICCM5 Bureau that a new virtual process is established to continue the discussions on financial considerations, while a decision is taken on the organization of IP-4 and ICCM5. A new process would allow to further deliberate on:

- a. The proposals on strengthening the private-sector involvement presented by stakeholders so far: the capacity building clearing house mechanism (ICCA); a global coordinated tax or fee on the chemical industry (IPEN); the establishment of a financial contribution of 0.5% of industry's annual turnover (Africa Group).
 - b. Dedicated external financing for the implementation of the new beyond 2020 instrument (Colombia).
 - c. Alternative text proposals prepared based on the written submissions and views presented at the VWG meetings regarding the sections on Financing the Secretariat and Private Sector Involvement.
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