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**Consultative process on financing
options for chemicals and wastes
Second meeting**
Bangkok, 25–26 October 2009

**Report of the second meeting in the consultative process on
financing options for chemicals and wastes****Introduction**

1. The consultative process on financing options for chemicals and wastes was launched by Mr. Achim Steiner, Executive Director of the United Nations Environment Programme (UNEP), in recognition of the need for adequate resources in the field of chemicals and wastes management. The process was first announced at the fourth meeting of the Conference of the Parties to the Stockholm Convention on Persistent Organic Pollutants, held in Geneva in May 2009, as a response to difficulties encountered in reaching agreement on a compliance mechanism owing to concerns that the available capacity and resources for such a mechanism were inadequate. A further announcement of the process was made the following week, at the second session of the International Conference on Chemicals Management, held in Geneva. As proposed by the Executive Director, the consultations would take place during the run-up to the eleventh special session of the UNEP Governing Council/Global Ministerial Environment Forum and the simultaneous extraordinary meetings of the conferences of the Parties to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the Stockholm Convention, which were to be held in Indonesia in February 2010. The purpose of the consultations would be to analyse the current situation with regard to financing for chemicals and waste management at the national level, including but not limited to the implementation of Party obligations under chemicals-related multilateral environmental agreements, and to devise strategic, synergistic proposals for improving it.

I. Opening of the meeting**A. Opening remarks**

2. The second meeting in the consultative process was held at the Amari Watergate Hotel in Bangkok on 25 and 26 October 2009. It was chaired by Mr. Bakary Kante, Director, UNEP Division of Environmental Law and Conventions, and facilitated by Mr. Surendra Shrestha, Director, Strategic Resource Mobilization and Special Initiatives, UNEP.

3. The proceedings were opened at 9.45 a.m. on Monday, 25 October 2009.

4. Speaking on behalf of the Executive Director, Mr. Kante welcomed participants to the meeting, commenting particularly on the increased representation of countries which, as he saw it, reflected the strong level of interest in the issue. He recalled that the participants at the first consultation meeting had

recommended that a desk study should be prepared on the financing and support needs of developing countries and countries with economies in transition and possible means of meeting those needs, which would be discussed at the current meeting. Work on the study had begun but had not yet been completed and, as it stood, the study described the possible architecture for future work on the issue, setting out possible options and suggesting steps for future action. He stressed that the aim of the current meeting was not to negotiate but to secure a frank exchange of views with a view to having proposals ready for the forthcoming simultaneous extraordinary meetings and the eleventh special session of the Governing Council/Global Ministerial Environment Forum.

B. Adoption of the agenda

5. The meeting followed the agenda set out below, which was based on the provisional agenda that had been circulated previously:

1. Opening of the meeting.
2. General discussion on the desk study on financing options for chemicals and wastes.
3. Analysing the options identified in the desk study on financing options for chemicals and wastes.
4. Organizing principles (building blocks) for moving forward: role of different stakeholders and suggested strategic actions.
5. Preparation of a strategy leading towards the simultaneous extraordinary meetings of the conferences of the parties to the Basel, Rotterdam and Stockholm conventions and the special session of the Governing Council of the United Nations Environment Programme.
6. Other matters.
7. Closure of the meeting.

6. The substantive agenda items were taken up concurrently, in a single, wide-ranging discussion on addressing financing needs in the chemicals and wastes areas and defining the associated challenges.

C. Attendance

7. The meeting was attended by representatives of the following States: Australia, Brazil, Canada, China, Denmark, Finland, France, Germany, Indonesia, Iran (Islamic Republic of), Japan, Kazakhstan, Kenya, Lebanon, Mexico, Nigeria, Oman, Pakistan, Papua New Guinea, Republic of Moldova, Russian Federation, South Africa, Sweden, Switzerland, Thailand, Uganda, United Republic of Tanzania, United States of America.

8. The following United Nations bodies and specialized agencies were represented: Food and Agriculture Organization of the United Nations, Global Environment Facility Secretariat, United Nations Environment Programme.

9. The following non-governmental organizations were represented: Basel Action Network, International Council of Chemicals Associations, International POPs Elimination Network. A representative of the International Council of Chemical Associations (ICCA), nominated by several private-sector entities, also attended the meeting.

II. Addressing financing needs in the chemicals and wastes areas: defining the challenges and organizing the work of the committee

A. Presentations

1. Commissioned desk study

10. Ms. Claudia ten Have, United Nations University, presented the desk study, which she was preparing together with two other consultants engaged for that purpose by UNEP. Outlining the history and origins of the study, she explained that it was based on existing material and that it was still at a preliminary stage. After an introduction, the study proceeded through chapters on background and context; on scope and strategic positioning of the chemicals and wastes agendas; on financial resources

and mechanisms; on options for action; and on principles for moving forward. In considering the context, she pointed out the increase in the production and consumption of chemicals in developing countries and those with economies in transition; under resource needs, she noted that estimates of needs varied widely, ranging from hundreds of millions of dollars to some 10 billion dollars, depending on the source. In its exploration of options, the study identified three distinct groups: options relating to synergies; options relating to existing financial mechanisms; and options relating to what were termed flexible mechanisms. In a separate chapter on principles for future action, the study considered the role of the private sector and non-governmental organizations, national, regional and international stakeholders and donors.

2. UNEP presentation

11. Following that presentation, the representative of UNEP gave a presentation focusing on general issues related to funding and aid effectiveness and potential issues for discussion. He put forward tentative figures on the sources of funding for the environment, disaggregated by source – private, government and official development assistance. He reviewed the current funding situation and suggested areas which merited attention for future action, including the need to place the chemicals agenda on national development plans; the need to ensure that developing countries had direct access to funding; the possibility of setting up a voluntary but dedicated trust fund; and the need to raise public awareness of chemicals and wastes issues, to enhance the political status of the issue and to enhance partnerships. Among other challenges he drew attention to the mismatch between the mandates of the chemicals conventions and the funding available to them and identified the drivers behind the need for funding, notably human health and well-being.

B. Discussion

1. General observations

12. Participants expressed gratitude to UNEP for arranging the meeting and commended the presenters on their hard work. Several participants expressed support for the statement by the Chair that the meeting should merely explore options, and avoid negotiation: all options should remain open and the participants should not endeavour to be prescriptive.

13. There was some discussion of the figures given in the presentations, with requests for greater clarity, queries as to their reliability and their sources and the identification of apparent gaps. The presenter explained that there were problems getting accurate figures and suggested that the participants would have to work with indicative figures.

14. Several participants also sought clarification of the outcomes that UNEP hoped to achieve from the current meeting, both in the short term leading up to the simultaneous extraordinary meetings of the conferences of the Parties to the Basel, Rotterdam and Stockholm conventions and the special session of the UNEP Governing Council, in Bali, in February 2010, and in the longer term.

2. Detailed discussion and specific suggestions for further action

15. Following the general comments, participants engaged in a detailed discussion of the issue, focusing on the desk study and the presentation by UNEP and the options which they put forward. They also explored avenues for possible further work on the issue. A summary of those discussions is set out in the annex to the present report, as the “Bangkok road map”.

III. Closure of the meeting

16. Following the deliberations, closing statements were made by Mr. Peter Kenmore, Co-Executive Secretary of the Rotterdam Convention and Chief of the Plant Protection Service of the Food and Agriculture Organization of the United Nations, and the Chair.

17. Mr. Kenmore stated his conviction that, in their consideration of the options, the participants at the current meeting were delivering to the Executive Director clear, informed and nuanced suggestions stimulated by the desk study. The suggestions, he said, were generally harmonious in nature and even those that were not harmonious were still constructive in their outlook. He suggested that, when considering modalities for further work on the issue, attention should be given to the process for enhancing synergies in the implementation of the three chemicals-related conventions at the national

level, which was an interesting model and could represent a good case-study for such a cooperative venture.

18. He endeavoured to summarize the views expressed at the meeting concerning the proposal, which he also endorsed, that the current consultative process should result in two distinct papers – a comprehensive study of the options and a brief policy paper distilling the essence of the longer study – which should be used to inform the conferences of the Parties at their extraordinary simultaneous meetings and the Governing Council/Global Ministerial Environment Forum at its special session in February 2010. He noted that the discussions of the issue should continue beyond that date, however, to include the ordinary meetings of the conferences of the Parties in 2011 and the third session of the International Conference on Chemicals Management, tentatively scheduled for mid-2012, with a view to achieving better and more accessible funding, in particular for developing countries, in chemicals and waste management. He also welcomed the attention given at the current meeting to the Quick Start Programme, under the Strategic Approach to International Chemicals Management, as a good model for a new financing arrangement to emulate.

19. In his closing remarks, the Chair conveyed the appreciation and gratitude of the Executive Director of UNEP for the work done by the participants at the current meeting and said that the secretariat would take careful note of all suggestions put forward by them in finalizing the desk study. Recalling the fundamental role played by GEF in supporting all aspects of environmental work, he urged participants to make every effort to assist GEF in meeting the high expectations placed upon it by member States. He also drew attention to the valuable work performed under the Strategic Approach and stressed that it should be taken into account in developing any new financing arrangements. Finally, he undertook to ensure that the amended version of the desk study would be ready by the end of November and circulated early in December for participants' comments and, if they wished, further amendment. He also gave assurances that the desk study would be widely distributed to all Governments and also to interested non-governmental organizations and other stakeholders.

20. Following those remarks, he declared the meeting closed at 3.45 p.m. on Monday, 26 October 2009.

Annex

Bangkok road map

Second meeting of the consultative process on financing options for chemicals and wastes, Bangkok, 25–26 October 2009

Introduction

1. The second meeting in the consultative process on financing options for chemicals and wastes was held in Bangkok on 25 and 26 October 2009, following an initial consultation held in Nairobi on 24 and 25 July 2009.

I. Discussions at the meeting

2. The participants warmly welcomed the initiative of the Executive Director of UNEP and the opportunity to discuss the important issue of financing options for chemicals and wastes in an open and informed fashion.

3. They discussed a preliminary desk study that had been commissioned by UNEP and made available to them as a basis for discussion. The study presented the general landscape of financing needs and gaps in the area of chemicals and wastes and outlined a series of options for closing the gaps between needs and available resources. Those options included not only making best use of existing mechanisms through, among other means, synergies and mainstreaming into other sectors, but also modifying the structure, scope and working arrangements of existing financial mechanisms and promoting flexible arrangements such as partnerships and economic instruments. It also outlined building blocks involving the engagement of various categories of stakeholders in moving forward in that area.

4. The participants recognized the need for the consultative process to set out the outcome that was to be expected in the longer term and to identify the options that were worth pursuing and the process that would need to be followed to achieve the long-term outputs.

5. There was a general view that the management of chemicals and wastes was under-financed and that the available funds were not sufficient to enable achievement of the objectives of the chemicals and wastes conventions. There was also a general recognition of the need to look at the management of chemicals and wastes not only as a financial burden but also as a possible pathway to the generation of economic growth. Participants also identified the need for the consultative process to address the issue of needs – if not in monetary terms, at least in qualitative terms – as a first step before attending to the availability and accessibility of financial resources and the need for more.

6. The participants said that many of the proposals in the study, which they suggested should be referred to as tracks rather than options, were complementary and that only some were mutually exclusive. They expressed the desire to discuss the latter options further and indicated areas where additional information and analysis were needed to help them identify preferred tracks. At the same time, they expressed preferences for certain ways of operation and, in particular, voiced support for certain fundamental requirements, including increased and predictable funding, ease of access, quick response, a fundamental role for synergies and a higher profile for the chemicals and wastes agenda at all levels.

7. The participants also identified a need to raise awareness of the importance of sound chemicals and wastes management and suggested that efforts should be initiated to that end, independent of the next steps in the consultative process.

8. The participants outlined a road map for the consultative process, building upon the discussions and views expressed at the current meeting, which is outlined in section II below.

II. Further actions

A. Substantive activities for immediate implementation

9. UNEP and others would need to undertake awareness-raising initiatives relating to the consultative process and the importance of the sound management of chemicals and wastes. These initiatives should use any available avenues, including the media and key international opportunities, such as intergovernmental meetings and public events.

B. Steps to move the discussions forward

10. UNEP will revise the preliminary desk study, reflecting the views and suggestions put forward during the discussions at the second consultative meeting, with a view to ensuring that the study becomes a more informative reference document that can be used as a basis for formal discussions with relevant stakeholders.

11. The revised desk study, the present road map, and the report of the second consultative meeting, held in Bangkok on 25 and 26 October 2009, will be circulated to all participants in the consultative process, all Governments and other relevant stakeholders, including intergovernmental and non-governmental organizations and the private sector.

12. The Executive Director of UNEP will prepare a policy paper presenting a distilled analysis of the ideas that emerged at the second consultative meeting and indicating the immediate, medium-term and long-term options and suggestions, for consideration by Governments at the special session of the Governing Council/Global Ministerial Environment Forum, to be held in Bali, Indonesia, from 24 to 26 February 2010.

13. The Executive Director's policy paper will be submitted to the Governing Council/Global Ministerial Environment Forum at its eleventh special session, in order to inform the ministers of the progress made thus far, with a view to reviewing the direction of the consultative process and reaching a possible decision on taking the consultative process forward and bringing the discussions on financing for chemicals and wastes management into a more formal decision-making setting.

14. The Executive Director will provide a report to the conferences of the Parties to the Basel, Rotterdam and Stockholm conventions at their simultaneous extraordinary meetings, to be held in Bali from 22 to 24 February 2010, on the progress and direction of the consultative process.

15. Discussions on financing options for chemicals and wastes and information about the progress and direction of the consultative process will be brought into relevant intergovernmental processes, including the individual meetings of the conferences of the Parties to the Basel, Rotterdam and Stockholm conventions in 2011, the preparatory meetings for the third session of the International Conference on Chemicals Management and the governing bodies of the Global Environment Facility.

16. The consultative process will continue, basing its work on the outcomes of the special session of the Governing Council/Global Ministerial Environment Forum and other relevant international processes, and will be finalized no later than the date of the third session of the International Conference on Chemicals Management, which is tentatively scheduled for 2012.
