



### 3<sup>rd</sup> Steering Committee meeting on

#### The Global Chemicals Outlook

Geneva, Switzerland, 4-5 November 2010, International Environmental House 1, Geneva, Switzerland

## DRAFT MEETING REPORT

UNEP-DTIE Chemicals Branch, with the support of the governments of Norway and Sweden is currently developing a flagship Global Chemicals Outlook to aid in framing the current understanding of trends in chemicals production and use, economic implications, and policy options.

The Global Chemicals Outlook aims to provide a coherent framework for assessing and setting priorities to stimulate further international attention and action on sound management of chemicals. The Global Chemicals Outlook covers three broad inter-linked areas, building upon the findings of existing and concurrent studies:

- *Pillar I:* Trends and indicators for (i) chemical production, trade, use and disposal and (ii) associated health and environment impacts
- *Pillar II:* Based on the trends, making the economic case for sound management of chemicals
- *Pillar III:* Instruments and approaches for sound management of chemicals, including promotion of safer alternatives

### I. Meeting Goals

A 3<sup>rd</sup> Steering Committee meeting was convened on 3-4 November 2010 in Geneva to advise on the structure and scope of the final Global Chemicals Outlook, building on the outputs from the preliminary phase of the Global Chemicals Outlook in 2009.

### II. Steering Committee

The Steering Committee participants included representatives from the Governments of Sweden, Norway, Germany, and Nigeria; Academia, Civil Society, the World Health Organization (WHO), the Organization for Economic Co-operation and Development (OECD), the United Nations Institute for Training and Research (UNITAR), the Secretariat of the Basel Convention, Secretariat of the Rotterdam Convention, Representation was also made from the UNEP Division of Early Warning and Assessment (DEWA), the Global Environmental Outlook (GEO) Selected Experts, and UNEP Scientific and Technical Advisory Panel (STAP).

### III. Principal Outcomes

- The Terms of Reference (ToR) for the Steering Committee was accepted with minor changes;
- Linkages were strengthened between the Costs of Inaction Initiative and the Global Chemicals Outlook;
- Recommendations were made on the proposed arrangements and work plan for the three Pillars of the report; and
- Specific recommendations were made for the future development of the Global Chemicals Outlook (see Annex II)

### IV. Proceedings

Presentations were given by representatives from the United Nations Environment Programme (UNEP) Chemicals Branch secretariat, the University of Massachusetts, the University of Lagos, the Global Environmental Outlook Coordinating Lead Author for the Chapter on Chemicals and Wastes, the International POPs Elimination Network (IPEN), the Organization for Economic Co-operation and Development (OECD), the World Health Organization (WHO) and the Swedish Chemicals Agency (KemI). These presentations led to

fruitful discussions which have been summarized in the Annex II as key recommendations from this 3<sup>rd</sup> Steering Committee meeting to be followed in the next stages of work on the Global Chemicals Outlook.

#### *List of Presentations*

- Mr. Kaj Madsen, Senior Programme Officer, UNEP, Chemicals Branch – *Update on the Global Chemical Outlook Project*
- Ms. Rachel Massey, Policy Analysts, University of Massachusetts
  - *Review, The Preliminary Global Chemicals Outlook*
  - *GCO Pillar I, Trends & Indicators*
  - *GCO Pillar III, Economic Implications*
- Mr. Ricardo Barras, Ph.D., GEO Coordinating Lead Author for the Chapter on Chemicals and Wastes, University Concepcion, - *GEO 5 Chapter on Chemicals and Wastes*
- Mr. Babajide Alo, Ph.D., Director, Centre for Environmental Human Resources Development, University of Lagos – *Next Steps Required for the Completion of Part A, Trends in the Manufacture, Use and Disposal of Chemicals.*
- Mr. Joseph DiGangi, Senior Science and Technical Advisor, International POPs Elimination Network (IPEN) – *Next steps: Trends in the health and environmental effects of chemicals*
- Mr. Thomas Conway, Ph.D., international Consultant, Resources Future International – *Approach and Scope of the Initiative on Costs of Inaction on the Sound Management of Chemicals*
- Ms. Nathalie Delrue, Environment, Health & Safety Division, OECD – *OECD, Environmental Outlook to 2050, Environment and Health*
- Ms. Annette Prüss-Üstün, Ph.D., Scientist, WHO – *WHO Work on Estimating Disease Burden from Chemicals*
- Mr. Lars Drake, Ph.D. Chemical Advisor, Swedish Chemicals Agency, KemI – *Methodologies for Economic Analysis*
- Mr. Kenneth Geiser, Ph.D., Professor of Work Environment and Director of the Lowell Center for Sustainable Production at the University of Massachusetts – *Global Chemicals Outlook, Moving Forward on Instruments and Approaches*

***The 4th Steering Committee tentatively to be held in April 2011 (back-to-back with the 3rd Steering Committee Meeting of the Costs of Inaction)***

## Annex I – Steering Committee Terms of Reference

### Global Chemicals Outlook Draft Terms of Reference for the Steering Committee

#### I. Background

1. The 2002 World Summit on Sustainable Development (WSSD) renewed the commitment, advanced in Agenda 21, to Sound Management of Chemicals (SMC) throughout their life-cycle and of hazardous wastes with the aim that, by 2020, chemicals are to be produced and used in ways that lead to the minimization of significant adverse effects on the environment and on human health. Chemicals affect human health and the environment through a variety of mechanisms. Many chemicals used intentionally or generated as a by-product of human activities influence and disrupt healthy human development – industrial and agricultural workers, women and children exposed to such chemicals through improper or inadequate practices are the vulnerable groups particularly at risk; other chemicals bioaccumulate in animals and humans giving rise to chronic intoxication in wider populations.
2. In 2006, the International Conference on Chemicals Management (ICCM) adopted the Strategic Approach to International Chemicals Management (SAICM) in Dubai. As stated in the Dubai Declaration, “Progress in chemicals management has not, however, been sufficient globally and the environment worldwide continues to suffer from air, water and land contamination, impairing the health and welfare of millions. . . . The need to take concerted action is accentuated by a wide range of chemical safety concerns at the international level, including a lack of capacity for managing chemicals in developing countries and countries with economies in transition, dependency on pesticides in agriculture, exposure of workers to harmful chemicals and concern about the long-term effects of chemicals on both human health and the environment.”
3. Of particular concern is the fact that recent trends show changing patterns of global chemicals production and trade, with a progressive shift of significant portions of chemicals production and markets from OECD countries to developing countries (DCs) and countries with economies in transition (CEiTs). By 2020, DCs are expected to lead the world in growth rate for high volume industrial chemicals, increasing their share of world chemicals production to 31%.<sup>1</sup> Chemicals consumption in DCs and CEiTs is likewise growing much faster than in developed countries and could account for a third of global consumption by 2020.<sup>2</sup>
4. The Global Chemicals Outlook will make a significant contribution to framing the current understanding of trends in chemicals production and use, economic implications, and policy options. It aims to provide a coherent framework for assessing and setting priorities to stimulate further international attention and action in this field. The Global Chemicals Outlook covers three broad inter-linked areas:
  - *Pillar I:* Trends and indicators for (i) chemical production, trade, use and disposal and (ii) associated health and environment impacts
  - *Pillar II:* Based on the trends, making the economic case for sound management of chemicals
  - *Pillar III:* Instruments and approaches for sound management of chemicals, including promotion of safer alternatives
5. The Global Chemicals Outlook complements all UNEP-DTIE Chemicals Branch Mainstreaming activities on SAICM implementation, and indeed benefits from certain synergies.
  - a. UNEP-DTIE Chemicals Branch is deeply involved in the WHO/UNEP Health and Environment Strategic Alliance (HESA) that aims to help coordinate action by the health and environment sectors and engage in country-level development planning processes. A number of interlinkages are envisioned around stimulating further international attention and action on SMC, and on developing the trends and indicators analysis of the Global Chemicals Outlook (Pillar I).

<sup>1</sup> OECD (2001) *OECD Environmental Outlook for the Chemicals Industry*, Organisation of Economic Co-operation and Development, Paris:35

<sup>2</sup> OECD (2008) *OECD Environmental Outlook to 2030*, Organisation of Economic Co-operation and Development, Paris: 381

- b. A four-year Costs of Inaction Initiative (begun Sept 2010) aims to address the lack of global consistency of message on the economic costs of inaction on SMC that makes the prioritization of SMC at the national and international levels substantially more difficult, if not entirely impracticable. The case studies and data sources uncovered in Phase I of this project, a baseline analysis of existing resources for assessing Costs of Inaction on SMC, are expected to feed directly into the discussion on economic implications of global chemicals trends in the Global Chemicals Outlook (Pillar II).
- c. At the country-level, the Global Chemicals Outlook and the Costs of Inaction projects will support UNDP-UNEP Partnership Initiative for the Integration of SMC into Development Planning Processes which seeks to facilitate sound management of chemicals for sustainable development. Conversely, the country-level experience and data gathered through completed and future mainstreaming projects will contribute to the discussion on economic implications of global chemicals trends in the Global Chemicals Outlook (Pillar II).
- d. In response to SAICM calls for assistance on overcoming gaps in SMC implementation, a two-year project on developing guidance to assist countries in the development of legal frameworks consistent with the SMC approach, along with the necessary institutional arrangements for effective implementation including sustainable financing considerations began early 2010. The outputs from this project will contribute to the development of policy options for enabling SMC in the Global Chemicals Outlook (Pillar III).

## II. Objectives

6. The Global Chemicals Outlook will:

- Assess the status of health, environmental, economic and institutional factors related to the production, use, and disposal of chemicals, with a focus on issues relevant to developing and transition countries;
- Examine chemicals management options in the context of the Millennium Development Goals;
- Provide information on the economic implications of sound chemicals management, including costs of inaction, benefits of pollution prevention and other aspects of sound chemicals management; and
- Provide high-level guidance for the effort to achieve sound chemicals management by 2020.

## III. Responsibilities

7. The Steering Committee is an advisory body to the UNEP-DTIE Chemicals Branch process on developing the Global Chemicals Outlook. Specifically, the Steering Committee is responsible for the following activities:

- a. Review and adoption of this Terms of Reference;
- b. Participation in Steering Committee meetings;
- c. Provide advice to the Lead Contributing Author(s) contracted by UNEP to write the Global Chemicals Outlook reports;
- d. Provide input and peer review on each of the three Pillars of the Global Chemicals Outlook:
  - Provide verbal comments at meetings;
  - Provide substantive input, including but not limited to references to relevant publications and data sources, as well as case study material, during the drafting process;
  - Provide timely written comments on the first and second draft of the report for each Pillar;
  - Approve the final draft of the full report for each Pillar.
- e. Broaden the range of geographic perspectives by consulting with other stakeholders, such as developing countries and countries with economies in transition, academic institutions, industry associations, professional organisations, relevant public interest NGOs etc.
- f. To the greatest extent possible, the Steering Committee will achieve consensus on the elements included in the final report. However, where Steering Committee members disagree, the final

report may include statements of majority and minority opinions, or may include dissenting statements.

#### **IV. Participation in Steering Committee**

8. The Steering Committee is composed of representatives from relevant stakeholders including governments, intergovernmental organizations, academics, civil society and private sector.
9. The Steering Committee includes representation from developing countries and countries with economy in transition.
10. The Steering Committee members possess broad areas of expertise or discipline relevant to the needs of the project

#### **V. Tentative Project Time line:**

##### ***Pillar I***

Work begins January 1, 2011  
Final report complete and approved by September 2011

##### ***Pillar II***

Work begins February 1, 2011  
Incorporate baseline findings from COI in October 2011  
Final report complete and approved by December 2011

##### ***Pillar III***

Work begins April 1, 2011  
Final report complete and approved by January 2012

#### **VI. Governance structure**

11. UNEP-DTIE Chemicals Branch will chair the meetings and carry out the secretariat functions for the Steering Committee. The secretariat be responsible for:
  - Organizing the meetings of the Steering Committee group;
  - Providing advice on initiative content direction;
  - Consulting with SAICM and others to avoid duplication of work;
  - Organising consultation on documents developed with selected stakeholders;
  - Providing timely updates to the Steering Committee on the progress of research conducted and writing between meetings.

## Annex II

### Steering Committee Key Messages for the Development of the Global Chemicals Outlook

#### A. *General*

1. The problems and countries should be well defined and targeted to provide clarity on the areas of research.
2. Each Pillar will produce stand-alone documents of approximately 40 pages length.
3. SAICM provides the scope for chemicals and issues to be addressed in this initiative.

#### B. *Pillar I: Trends & Indicators*

1. In the *Technical Annex, point 3. Trends in Health and Environmental Effects of Chemicals*, issues with fisheries and the eutrophication nitrates effects should be included. The side effects of chemicals such as cadmium, lead, fossil fuel with intentional or unintentional use should be further elaborated given their significant economic and policy implications.
2. The growth of chemicals producing countries, mainly the BRIICS, driven largely by the considerable growth in production capacity in China should be anticipated.
3. Trends analysis should also include looking at information on industries connected to chemicals production, their growth and the implications for the chemicals industry in turn.
4. Industry specific roadmaps will include projection for the future in different sectors, i.e. semiconductor/ICT industries, in order to identify what types of products and types of materials required to produce these. These types of data sources are likely to be useful to the trends analysis of the GCO.
5. It should be noted that domestic or regional market trends are not necessarily related to the growth of the domestic or regional chemical production; trends in chemicals trade are also important to identify.
6. In addition to the current working categories, solvents and halogenated substances, POPs and IARC Carcinogens, PFCs, Endosulphin should be considered for inclusion in the GCO trends analysis. Health end points such as diabetes, allergies, obesity should be included as long as they can be linked to chemicals and not lifestyle factors.
7. The capacity of waste generation trends, waste treatment and disposal, including crucible asbestos for example may be included.
8. The trends analysis framework should consider the chemicals life cycle for industrial chemicals toxic & rare metals, 'new' / specialized metals in electronics and stress their impacts.
9. Fractions of overall trends when it comes to toxic chemicals will also be important to consider. For example, toxic metals like mercury lead and cadmium are problematic not only because of their intrinsic properties but also because they are widely used.
10. The issue between legal and illegal waste trade should be explored.
11. Consensus reached for excluding radioactive substances and weapons.
12. Work on risk assessment and chemicals profile are to be included in the trends analysis, however DCs moving towards hazard-based management of chemicals should also be paid close attention.

#### C. *Pillar II: Economic Implications and the Synergies between the Global Chemicals Outlook and the Costs of Inaction Initiative*

1. The trends and indicators analysis must be developed in such a way to support the economic implications and policy options discussions in Pillars II & III, i.e. environmental damage indicators that can be linked to either market costs or nonmarket valuation studies, where existing.
2. The linkages between the Costs of Inaction and the Global Chemical Outlook should be further developed.
3. Economics analysis applied in the Costs of Inaction may provide potential measurement mechanism to the effects of the chemical production moving to the BRIICS countries for example.

4. The economic analysis may consider the framework Ms. Louise Gallagher, Ph.D., developed for the 2<sup>nd</sup> Steering Committee on the GCO.
5. Economic benefits from pollution prevention are to be included in the analysis of economic implications from current/predicted chemicals production, use, trade and disposal trends, where feasible.
6. Recognize that it may not be feasible or appropriate to include monetized values for some human health and environment impacts from chemicals. Where possible, impacts that fall into this category will be quantified in other measurements and/or discussed qualitatively.

#### **D. Pillar III: Policy Options**

1. The implications of different legal traditions and regional differences must be noted and addressed in the discussion on policy options.
2. Pathways through which chemicals become problems need to be considered as different policy interventions will be required for different problems.
3. Important to note is that policy options that work in one region may not work in others.
4. Harmonization of classification and labeling is an important policy issue to be dealt with in looking at policy options.
5. The inclusion of a practical case on African Region and / or individual DCs policy is critical.

#### **E. Synergies**

1. Coherence must be assured between the GCO and the Costs of Inaction Initiative.
2. The LIRA Guidance will provide useful insight for the policy and approaches section of the GCO project.
3. The inclusion of (i) financing sound management of chemicals, (ii) internalization of chemicals management costs, (iii) economic benefits of pollution prevention and (iv) economic benefits of sustainable agriculture are some issues that UNEP LIRA-Guidance and the Costs of Inaction projects will address, but they may be developed further in the context of the GCO/be used to support the development of the GCO.
4. UNEP should coordinate with WHO and OECD on the linkages between the GCO and their respective programmes on *Global Burden of Disease* and *Outlook to 2050: Environment and Health*.

#### **F. Timeline of the GCO**

1. The First Pillar is estimated to be complemented by August 2011, assuming Ms. Rachel Massey would begin the work in early January 2011.
2. Finalization of Pillar II on economic implications anticipated for October 2011.
3. The work for this two-year project will be carried out in the context of a number of important milestones, including the UN International Year of Chemistry 2011, the Commission on Sustainable Development (CSD) 18/19 cycle for 2010/2011, ICCM-3 in 2012 and RIO+20 in 2012.

#### **G. Data Sources**

1. Exposure data in DCs should not be excluded; however, the availability of information might pose a challenge to the analysis.
2. Alternatives guidance documents exist, i.e. POPs review committee.
3. Studies, including statistics on lead and mercury made available by WHO may be complement the missing information lacking on the Geoportal.
4. Toxicological centers in Latin America may provide data, however there is a lack of data availability for Africa and Asia.
5. The data sources shall be defined into relevant categories and may require the access to proprietary databases.