

# Mainstreaming of Sound Management of Chemicals

## 1. Background

The Strategic Approach to International Chemicals Management (SAICM), adopted in 2006, provided global recognition that there is a need for a strengthened focus on improved cross-sectoral governance for the sound management of chemicals at the international, regional, national and local levels. For sound management of chemicals to be advanced significantly beyond the pre-SAICM situation, there will need to be much stronger links established with the development planning priorities, processes and plans of developing countries and countries with economies in transition (CEITs).

The ICCM 2 in 2009 stressed in its *Decision II/3: Financial and technical resources for implementation* that the sound management of chemicals is essential to the attainment of sustainable development, including the eradication of poverty and disease, the improvement of human health and the environment and the elevation and maintenance of the standard of living in countries at all levels of development.

The decision encouraged additional research on the economic and social costs of unsound chemicals management, including the cost of inaction and the implications for the health sector, at the national, regional and international levels, to facilitate appropriate priority being given to the implementation of the Strategic Approach objectives.

The decision furthermore encouraged efforts by all countries aimed at mainstreaming sound chemicals management and calls upon donors and relevant organizations in their assistance strategies to prioritize financial and technical assistance to developing countries and countries with economies in transition to support their efforts to mainstream sound chemicals management into national development policies and plans.

It finally called upon stakeholders to integrate and give adequate priority to Strategic Approach objectives in multilateral and bilateral development assistance cooperation to facilitate the allocation of necessary resources at the national, subregional, regional, bilateral and multilateral levels.

The present paper provides a description of the reasoning behind the mainstreaming concept. The paper will be expanded to include case studies from countries that have used the mainstreaming to raise the priorities given to sound management of chemicals.

## 2. Why is mainstreaming important?

Efforts at mainstreaming follow the directives of governments as embodied in the 2000 Millennium Summit, the 2002 Monterrey Consensus and the 2005 Paris Declaration on Aid Effectiveness, each of which have placed increased emphasis on the commitment and attendant strategies of developing countries for mobilizing their national resources for development in partnership with donor resources to improve development, poverty alleviation and the sustainability of economic progress.

Mainstreaming (incorporating) sound management of chemicals priorities in national development plans involves practical implementation of the partnership vision of espoused by governments. The major development plan of the government is a key (but, of course, not exclusive) driver for national budgetary decisions and expenditures, and is the main basis for discussions with development partners (donor countries) regarding assistance for the development of the country.

Mainstreaming sound management of chemicals priorities in development policies, processes and plans is successful when it applies to both the recipient community in their development planning and to the donor community in their development aid processes, practices and decisions. It is entirely legitimate for donors to ask that recipient countries be analytical and clear about their priorities, but it is equally important that when priorities are clearly stated and rationally justified, they have some effect on the actual dialogue with donors. Through that mechanism, mainstreaming can:

- Open the door for new funding by bilateral and multilateral donors since development plans inform development partnerships
- Improve efficiency and effectiveness of the use of existing resources (applied to the environment in all sectors) through improved priority setting and integration into government wide (cross-sectoral) planning (i.e. mitigating current problems and preventing future problems in key development sectors)
- Enhance justification for new and additional resources by improving economic analysis supportive of investments by governments and the private sector, including in needed infrastructure

Effective mainstreaming initiatives demonstrate to political and policy decision-makers how improved chemicals management is a substantial net contributor to achieving national development priorities rather than being a sideline to those priorities. Linking chemicals management priorities to national development priorities enhances the profile of the issues and introduces discipline into the identification of priorities in context of the other pressing human, environmental and economic sustainability needs of the country. If these linkages are properly established, prospects for attracting a greater share of domestic or international resources, public and private, to improved chemicals management initiatives are substantially enhanced.

Argumentation for improved financing of sound management of chemicals initiatives has predominantly relied upon societal values of protecting human health and the environment. However, when sound management of chemicals is addressed in context of national development planning, a greater degree of rigor in economic analysis and justification is required to substantiate incorporation into the national framework of development priorities. It is this same justification that is needed to support an allocation of scarce financial resources relative to all other development needs of a country. For this reason, effective mainstreaming initiatives emphasize economic analysis that demonstrates that resources spent on sound management of chemicals bring manifold returns in form of development and broader societal benefits.

### **3. Mainstreaming in practice**

#### **The UNDP\_UNEP partnership initiative**

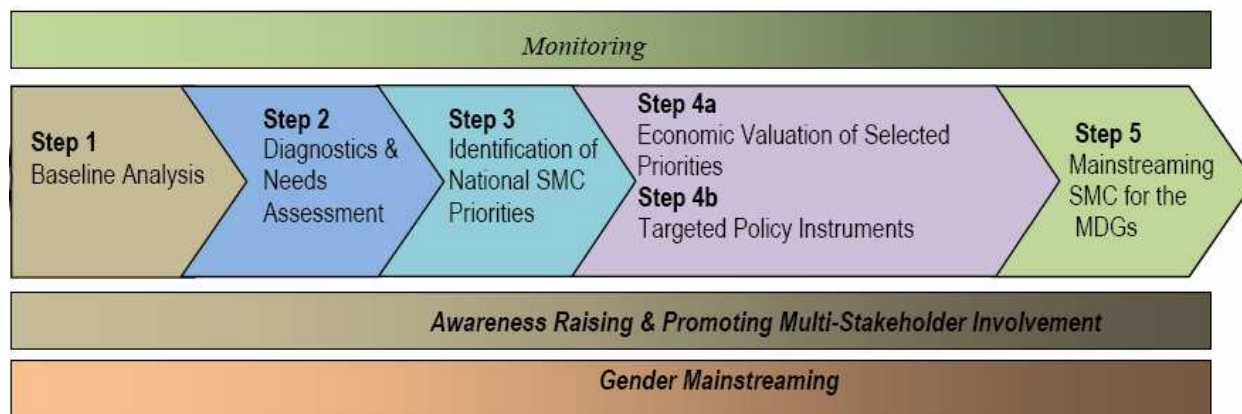
The UNDP/UNEP Partnership Initiative on Integration of Sound Management of Chemicals into Development Planning Processes (UNDP-UNEP PI) is a programmatic partnership in operation since 2006.

The primary objective of the Partnership Initiative is to facilitate the integration of sound management of chemicals into national development planning processes in order to support sustainable development in developing countries and countries with economies in transition.

The overall aim is to establish enduring institutional processes within government ministries and the wider stakeholder community to bring about sound management of chemicals – focusing on the

government bodies responsible for poverty reduction and growth policies, and also strengthening the role of environmental agencies and non-governmental actors.

The **mainstreaming methodology** is based on a 5 stage process illustrated below and fully explained in two methodological documents developed by UNDP and UNEP respectively, the *UNDP Guide for Integrating the Sound Management of Chemicals in MDG-Based Policies and Plans*, and the *Supplemental Cost-Benefit Economic Analysis Guide*.



In addition, the mainstreaming country projects are benefiting in the implementation stage by guidance on Integrated Guidance on Development of Legal and Institutional Infrastructures and Cost Recovery Measures for SMC produced by UNEP.

#### **UNDP-UNEP country level program on Mainstreaming Sound Management of Chemicals**

The UNDP-UNEP Partnership Initiative is currently supporting Mainstreaming of SMC in Belarus, Belize, Ecuador, Honduras, Kyrgyzstan, Liberia Mauritania, Mauritius and Vietnam. Country projects for Cambodia, Macedonia, Uganda and Zambia have already been concluded with encouraging results on further integrating Sound Chemicals Management priorities in the national MDG-based planning.

### **4. Supportive activities**

#### ***Global Chemicals Outlook***

Current trends shows that patterns of global chemicals production, trade, use and disposal are changing towards developing countries and countries with economies in transition. Understanding these changes and the potential risks these pose is essential for ensuring that chemicals are managed so that their contribution to improving quality of life is maximized and their related risks minimized.

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

- Pillar I – Trends and indicators in chemicals production, trade, use and disposal
- Pillar II – Economic implication of the observed trends
- Pillar III – Policy options and approaches for chemicals management.

The Global Chemicals Outlook will be available early 2012.

***WHO/UNEP Health and Environment Interlinkage.***

From the outset, the UNDP-UNEP PI has included the WHO/UNEP Health and Environment Interlinkage (HELI) in its mainstreaming work since economic analysis methodologies have been advanced in that context regarding valuing public health costs and benefits. Through UNEP Chemicals Branch, there is also a process in place to investigate local economic analysis capacities in pilot countries, and the framework for a one week training module has been developed.

### ***Cost of inaction***

There is a widely held view in the international environmental policy community that work to improve the sound management of chemicals (SMC) is a seriously underfunded area of work. For experts in this field and concerned observers there is overwhelming evidence to support this assertion, but the fact of the matter is that the political profile and information substantiation for this claim is currently woefully inadequate.

One of the key barriers to progress on this fundamental problem is the lack of an emerging global consensus on the costs of inaction on SMC. Reporting on the costs of poor chemicals management occurs virtually every day somewhere in the world, but these events (chemical accidents or when especially vulnerable populations have received acute or chronic exposures, etc.) typically receive sound bite media attention with inadequate staying power in political processes.

The reason for this is that the storyline has not been explained in the economic language of key financial decision makers, is not aggregated into a meaningful national, regional and global picture, and is not adequately linked to implications for sustainable forms of development from the present into future time that is manageable to grasp at the political level. This lack of global consistency of message on the economic costs of inaction makes the national mainstreaming process that much more difficult in terms of explaining economic rationale for SMC investments under conditions of resource scarcity.

To contribute to addressing these issues, UNEP, on behalf of the UNDP-UNEP PI, are implementing a *Project on the Economic Costs of Inaction on Sound Chemicals Management*. A draft baseline assessment report will be available in June.

### ***Development of Legal and Institutional Infrastructures and Cost Recovery Measures for SMC***

There is broad agreement that the end-point is not mainstreamed priorities exclusively but, rather, that is the starting point that countries have undertake to mobilize resources for investment in national SMC. A key aspect of mainstreaming, of course, is to mobilize national resources for action, but a process to engage development partners with their results would be consistent with the intent embodied in SAICM. Experience thus far under the UNDP-UNEP PI indicates that both of these opportunities require a higher level of sophistication in costing and budgeting SMC priorities than has been the case thus far in many national SMC regimes.

Mainstreaming countries also realize that new and innovative mechanisms for financing, such as market based instruments, will be required going forward because there are limits to both national budgets and donor assistance and yet there is a lot of work to be done for SMC on-the-ground in our mainstreaming countries. The *Integrated Guidance on Development of Legal and Institutional Infrastructures and Cost Recovery Measures for SMC* currently under development by UNEP will assist this work.

## 5. Lessons learned

Capacity building for mainstreaming into the national development plan cannot be avoided if countries are serious about improving the sound chemicals management. The development plan is a core organizing document for many governments, and the effort to influence that document is an absolute prerequisite for real change at the national level to mobilize new and additional resources for the sound chemicals management file. When a proper level of effort is placed into mainstreaming, evidence from the UNDP-UNEP Partnership Initiative indicates that it works.

While the international community has negotiated commitments for sound chemicals management, translating those on the ground in countries has been seriously stunted because environment and health agencies, the traditional leaders of the file, have struggled with positioning the issues at the centre of government for a reasonable share of policy and financial attention. Without that, there is very little prospect for significant change and sound chemicals management will continue as the weak link in financing for sustainable economic development.

Mainstreaming is capacity building intensive the first time around but should then become an internalized process. Cooperative efforts the first time around provide countries with the know-how to:

- Mobilize buy in by the important ministries for economy and finance at the beginning of the process
- Mobilize a multidisciplinary team that enhances the economic content of policy recommendations in addition to environmental and health expertise
- Show the links between sound chemicals management and plans for key development sectors to mitigate current risks and prevent future risk scenarios associated with growth (risks that become a legacy of costs yet to be paid)
- Illustrate the use of practical economic analysis methods to research sound policy recommendations for investments in improved chemicals management
- Demonstrate that investments in sound chemicals management, when well selected can have major benefits in health, environmental and economic sustainability objectives that far exceed investment costs.

## 6. Conclusions

Avoiding the work that will be required to bring sound chemicals management issues closer to the centre of government policy and financial decision making is a recipe for slow progress, or worse, stagnation in the file. This is not a new concept, but it is an area of persistent weakness in global initiatives for sound chemicals management. Governments act on issues that show a direct relationship to economic wellbeing, in addition to broader public welfare. Those files that neglect to show these linkages in core policy and planning documents of government typically stay on the margins as an afterthought for action. In the case of sound chemicals management, the linkages are there and need to be revealed in a systematic way through the mainstreaming process. That is the vehicle we have, efforts have been made to develop and successfully test the appropriate methodologies, and the time is ripe for more concerted action.