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**Consultative process on financing
options for chemicals and wastes
Third meeting**
Pretoria, 10 and 11 January 2011

Report of the third 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 the 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, in May 2009.
2. The process was initiated with a meeting, held in Nairobi in July 2009, at which participants called upon UNEP to undertake a desk study to explore the funding and support needs of developing countries and countries with economies in transition and relevant ways to support compliance with chemicals-and-wastes-related multilateral environment agreements and capacity-building, including institutional strengthening and technical assistance for promoting the sound management of chemicals and wastes in broader terms. A preliminary desk study was produced for consideration at the second meeting in the consultative process with the aim of providing possible options for securing adequate financing in the areas of chemicals and wastes.
3. During the second meeting, held in Bangkok in October 2009, participants provided feedback on the preliminary desk study and requested UNEP to produce a revised version of it as the basis for further discussions on financing options for the chemicals and wastes agenda. The revised study outlines a range of options, referred to as tracks, for securing adequate financing for the chemicals and wastes areas. The revised version of the desk study was submitted by the Executive Director to the UNEP Governing Council/Global Ministerial Environment Forum at its eleventh special session, held in Bali, Indonesia, in February 2010 in document GC.SS.XI/INF/8.
4. By its decision SS.XI/8, the UNEP Governing Council welcomed the establishment of the consultative process and requested the Executive Director to continue leading it. It also requested the Executive Director to report to the Governing Council at its twenty-sixth session on the implementation of the decision and on the progress made and the direction of the consultative process to relevant intergovernmental processes.

I. Opening of the meeting

5. The third meeting in the consultative process on financing options for chemicals and wastes was held in Pretoria on 10 and 11 January 2011. The meeting was co-chaired by Ms. Noluzuko Gwayi, Senior Policy Adviser and Director, International Chemicals and Waste Cooperation, Department of

Environmental Affairs, South Africa, and Mr. Henrik Eriksen, Senior Adviser, Ministry of Environment, Norway. Part of the meeting was facilitated by Ms. Juliana Birkhoff and Mr. Prince Mashele.

6. The proceedings were opened at 9.05 a.m. on Monday, 10 January 2011.

A. Opening statements

7. Opening statements were made by Mr. Alf Wills, Deputy Director-General and Chief Negotiator, Climate Change Branch, Department of Environmental Affairs, on behalf of Ms. Edna Molewa, Minister of Water and Environmental Affairs of South Africa, and Mr. Bakary Kante, Director, Division of Environmental Law and Conventions, UNEP, on behalf of Mr. Achim Steiner, Executive Director of UNEP.

8. Welcoming the participants to the meeting, Mr. Wills said that the Government of South Africa was honoured to host the current meeting and thanked UNEP for providing it with the opportunity to do so. He stressed that, while the current meeting was the third in the consultative process, it was the first chemicals-and-wastes-related meeting of 2011 and the first meeting of the consultative process to be held following the eleventh special session of the Governing Council/Global Ministerial Environment Forum of UNEP, which had provided the mandate for the consultative process to move forward.

9. It was, he said, encouraging to note that international organizations were increasingly acknowledging that efforts to enhance cooperation and coordination between chemicals and wastes conventions could be extended to enable countries to attain co-benefits related to security, health, resource flows, and sustainable and economic development, among other things. In addition to the implementation challenges that they faced, most developing countries found it difficult to reap such co-benefits, and therefore the potential gains that the environmentally sound management of chemicals could yield. He called upon the meeting participants to strive to achieve a creative, accommodating and holistic approach to financing options for chemicals and wastes, charting a clear course for the way forward. Underscoring that the meeting was aimed at discussion rather than negotiation, he said that it would provide a golden opportunity to explore a wide range of issues and that its outcome would set the stage for discussions on financing at meetings of the conferences of the parties to the various chemicals and wastes conventions in 2011. In closing, he wished the participants fruitful and productive deliberations.

10. Mr. Kante thanked the Government of South Africa for hosting the meeting. Noting that the focus of 2009 had been on climate change, and that of 2010 the International Year of Biodiversity, he said that chemicals and wastes would rise to the top of the international agenda in 2011, given that the year had been designated the International Year of Chemistry and that a significant number of important chemicals-and-wastes-related meetings were to take place. The current meeting, as a cross-cutting gathering relevant to many aspects of the chemicals and wastes agenda, had the potential to provide input and add momentum to many of those discussions. The role of UNEP was to facilitate rather than direct the consultative process, underlining the importance of a country-driven process. He welcomed the involvement of a wide range of partners, including representatives of non-governmental organizations and the private sector, which was indicative of the importance of the proper regulation of chemicals for many facets of society, including health, development, economic growth and environmental protection. It was therefore vital to identify financing options for chemicals and wastes that were sustainable and of value to the multilateral environmental agreements related to chemicals and wastes and other processes.

B. Attendance

11. The meeting was attended by representatives of the following States: Argentina, Belgium, Brazil, Canada, Chile, China, Denmark, Egypt, Finland, Germany, Hungary, India, Iran (Islamic Republic of), Japan, Kazakhstan, Mexico, Morocco, Norway, Nigeria, Oman, South Africa, Sweden, Thailand, Uganda, United Republic of Tanzania, United States of America, Uruguay.

12. Representatives of the following States were invited but unable to attend: Barbados, Congo, Czech Republic, Ecuador, France, Gabon, Indonesia, Jamaica, Kenya, Lebanon, Pakistan, Papua New Guinea, Republic of Moldova, United Kingdom of Great Britain and Northern Ireland, Venezuela (Bolivarian Republic of).

13. The representative of Australia, scheduled to participate in the meeting via conference call, was unable to do so due to technical difficulties.

14. The European Commission was also represented.

15. The secretariats of the following multilateral environmental agreement were represented: Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, Stockholm Convention on Persistent Organic Pollutants.

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

17. The following non-governmental organizations were represented: Africa Institute, Blacksmith Institute, CropLife International. A representative of the International Council of Chemical Associations also attended the meeting.

II. Organizational matters

A. Adoption of the agenda

18. The agenda was adopted on the basis of the following provisional agenda that had been circulated previously:

1. Opening of the meeting.
2. Organizational matters.
 - (a) Adoption of the agenda;
 - (b) Organization of work.
3. Consideration of first components of a package of financing options and possible recommendations, actions and responsibilities for implementation associated with the financing tracks.
4. Awareness-raising and outreach initiatives on sound management of chemicals and wastes.
5. Concluding recommendations, including action plan.
6. Other matters and next steps.
7. Closure of the meeting.

B. Organization of work

19. It was agreed that the meeting would comprise a mix of plenary and breakout group sessions. It was also agreed that participants would divide into four breakout groups, with each group focusing on one of the financing tracks outlined in the concept note for the meeting.

20. Responding to the co-chair's invitation for suggestions on possible outcomes for the meeting, one participant, recalling that the current meeting was aimed at discussion rather than negotiation, suggested that it might be overly ambitious to aim for an action plan as proposed in the concept note for the meeting. Instead, he suggested, the meeting participants should take advantage of the lack of pressure that characterized negotiations to have free and open discussions. Another participant spoke of the need for aspirations to be elaborated rather than consensus achieved. She stressed the importance of identifying actionable points for the way forward. A third participant expressed the hope that the current meeting would lead to two specific outcomes: a road map for the continuation of the consultative process that would feed into other relevant meetings and decision-making processes; and an action plan for moving forward on each of the four financing tracks for submission to the Governing Council/Global Ministerial Environment Forum at its twelfth special session, in 2012.

III. Consideration of first components of a package of financing options and possible recommendations, actions and responsibilities for implementation associated with the financing tracks

21. Mr. Jacob Duer, Senior Adviser, Division of Environmental Law and Conventions, UNEP, gave an update on the consultative process since the second meeting in the process, held in Bangkok in October 2009. In line with the discussions at that meeting, UNEP had prepared two documents and submitted them to the Governing Council/Global Ministerial Environment Forum of UNEP at its

eleventh special session, held in Bali, Indonesia, in February 2010: a revised version of the desk study on financing options for chemicals and wastes, and a policy note from the Executive Director on financing options for chemicals and wastes. The documents, and the report of the Bangkok meeting, had then been considered by the Governing Council, which had adopted decision SS.XI/8 on the matter. The decision welcomed the establishment of the consultative process and requested the Executive Director of UNEP to continue leading the process and to seek further inputs from Governments and other stakeholders on the documents. UNEP had acted accordingly and had received comments from Governments and from civil society and private-sector entities that had participated in the Bangkok meeting.

22. Based on those comments, UNEP had revised the documents, in particular narrowing down the number of main themes for discussion to four tracks that would merit further discussion: mainstreaming sound management of chemicals and wastes into other sectors of the development agenda; public-private partnerships; a new trust fund similar to the Multilateral Fund of the Montreal Protocol; and financing options for sound management of chemicals and wastes under the Global Environment Facility (GEF). Alternative tracks remained open for discussion. In addition, UNEP had prepared or made available a number of documents to assist the consultative process on a 2010–2013 action outlook for financing chemicals and wastes; on lessons learned from existing financing mechanisms and practices for chemicals and wastes; on selected financing mechanisms currently in use; on the potential role of industry in meeting the incremental costs of the sound management of chemicals and wastes; and on the cost of inaction and the global chemicals outlook.

A. Brainstorming on the four tracks

23. In a brainstorming session, the participants discussed the four tracks that constituted the main financing options for chemicals and wastes, taking account of the information laid out in the documents before the participants. The session was facilitated by Ms. Birkhoff, who stressed that the aim was not to revise those documents but to make best use of their content and to raise any further issues that should be taken into account when discussing the tracks.

B. Overview

24. Several participants gave an overview of the consultative process to guide discussion of the financing options, with several stressing the need to maintain flexibility of thought in considering all options. Some highlighted the need to move from the theoretical to the practical in formulating outcomes.

25. One participant said that the reason for the consultative process was the mismatch between the ambitious requirements for sound management of chemicals and wastes on the one hand and the lack of necessary financial resources for implementation on the other. All four tracks were necessary and complementary to diminish the discrepancy between countries' obligations and the financial resources needed to comply with those obligations, and all tracks should therefore be discussed and developed further. Others agreed with that analysis.

C. General principles

26. There was considerable discussion on the general principles underlying the consultative process, as set out in the consultant's document on a 2010–2013 action plan for financing chemicals and wastes. One participant said that it would be useful to bear those principles in mind, while others drew attention to further principles that should inform the discussion.

27. A number of participants emphasized that the principle of common but differentiated responsibilities should underpin the consultative process. One, supported by several others, noted that a large number of parties to the chemicals-and wastes-related conventions were developing countries or countries with economies in transition, but the large gaps between their financial needs and the resources available made it difficult for them to fulfil their obligations under the conventions. There was thus a need for firm financial commitments and funding arrangements to bridge those gaps. One participant, endorsing those comments, said that the principle of common but differentiated responsibilities led to another principle, namely, that adequate new and additional funding for developing countries would be necessary to enable them to implement their obligations. Another added that the presence of new and additional challenges in chemicals and wastes management justified the allocation of new and additional funding.

28. One participant suggested that there was also a need to identify more effective ways to deal with the agenda of the Strategic Approach to International Chemicals Management; in addition, there were opportunities to examine strategically how existing resources could be used more efficiently, including through broadening the donor base. Another stressed that the starting point was the need to

secure adequate and predictable funding for the chemicals and wastes agenda, especially with regard to the multilateral environmental agreements. A third called for consideration of the potential for coordination between the three chemicals and wastes conventions and the impact that the development of a new instrument on mercury could have.

29. One participant suggested bearing in mind the historical aspects of the chemicals and wastes problem, which were relevant to the principle of common but differentiated responsibilities. Another said that, while decades of progress had been made, with the upcoming United Nations Conference on Sustainable Development in Rio de Janeiro, Brazil, in 2012, marking a significant milestone, the chemicals and wastes cluster had never enjoyed good access to financial resources or successfully used the structures in place. The process on enhancing cooperation and coordination among the Basel, Rotterdam and Stockholm conventions had been a political success but had yet to unlock substantial resources. An effective financial mechanism, with associated capacity-building, was key to implementing the growing legal system being created, combined with non-legally binding activities.

30. Participants engaged in some discussion on the concept of the green economy. One, supported by several others, said that there was insufficient consensus on the definition of the concept to make it a useful avenue to pursue. A more helpful concept was sustainable development resting on three pillars encompassing environmental, social and economic considerations. Another participant said that further discussion of the green economy was warranted within the framework of sustainable development.

D. Background documents

31. Several participants praised UNEP for the timely preparation of a range of useful documents in line with the requirements laid down in decision SS.XI/8.

32. One participant, supported by another, said that the approach adopted in the documents tended to be theoretical rather than practical and that while several of the options presented had potential, it was difficult to assess their feasibility and viability in a comparative analysis of the four tracks. For example, there was some description of the process of mainstreaming within the United Nations system but there was little analysis of the effectiveness of that approach. Again, while there was a general description of the role of the private sector, few practical solutions were suggested. Some critical issues pertaining to funding, such as the willingness of donor countries to contribute to a new trust fund and the means by which access to GEF funding might best be obtained, were also inadequately treated in the documents. In response, another participant said that he considered the theoretical approach to mainstreaming in the documentation to be strong, given its cross-cutting nature. He added that the examples of public-private partnerships could easily be action oriented and that the desk study on financing options contained sufficient information on which to base action.

33. A third participant noted the lack of specific information about the types of activities that could be supported through additional funding at the country level. He also noted that the multilateral environmental agreements related to chemicals and wastes covered only a small subset of public health and environmental risks from chemicals and said that incorporating the larger body of chemicals-related problems into the discussion remained a challenge. In response, the representative of the secretariat clarified that the responsibility for identifying country-level activities lay with the multilateral environmental agreements in accordance with their mandates. Another participant said that the potential existed to apply the tracks through a wide range of instruments, including the Strategic Approach to International Chemicals Management.

E. Specific discussion of the four tracks

34. There was some discussion on matters specific to the four tracks. There was general acknowledgement of the importance of mainstreaming, but some doubt as to how it could best be achieved. One participant drew attention to the range of forums through which mainstreaming could be supported, for example within the United Nations system, and through donors and Governments. Another suggested that mainstreaming was more a tool than a track.

35. One participant, supported by others, said that the public-private partnership track was too narrowly conceived and should be expanded to include the role and responsibilities of industry, as reflected in the background paper on the potential role of industry in meeting the incremental costs of the sound management of chemicals and wastes. Another called for greater emphasis of such partnerships as potential sources of new funds, saying that some initiatives outlined in the documents merited further exploration, supported by analysis of the costs of non-compliance to the international community and the private sector. Another participant stressed the potential of such partnerships for national action.

36. On the various financing tracks, participants said that the matter of who took the lead depended on the mechanism selected. One noted that decision-making bodies, and not the participants in the current process, bore responsibility in that regard. Another said that it would be beneficial to have further information on past country-level experiences of funding for chemicals management by the various financial institutions, so as to gain insight into successes and failures. The representative of the secretariat said that the information currently provided in the background documents on the financial mechanisms could be developed further in line with the participants' requests.

37. One participant said that, while the Multilateral Fund had proved successful with ozone-depleting substances, it was not necessarily the instrument best suited to managing chemicals and wastes, given the diversity of the problems and management options in that sector. Another participant said that, given the size of the funding gap, it was essential to consider all the financing tracks, including those that had previously been successful, and others that were innovative, either individually or in combination. Another stressed the importance of more efficient and coordinated use of existing resources in the process. One participant mentioned the importance of regional centres for implementation at the regional level.

38. Several participants commended the role of GEF in acting as the financial mechanism of the Stockholm Convention and saw promise in extending that role through the development of a broader chemicals and wastes window. A representative of GEF provided information on the amount of financial support for chemicals projects under GEF, pointing out that funding was available for sound chemicals management and for mercury. Greater emphasis was being laid on synergies in the investment portfolio.

F. Establishment of breakout groups

39. Following the discussion of the four tracks and related matters, four breakout groups were established for more focused discussion on the four tracks, with each group to discuss one track. Ms. Birkhoff, facilitating the session, requested the participants to structure the points raised according to strengths, weaknesses, opportunities and threats. Each group would select a leader and a rapporteur.

40. Following their deliberations, the breakout groups reported on them, presenting their findings according to the prescribed format focusing on the strength, weaknesses, opportunities and threats of each track. The outcomes of their discussions are set out in annex I to the present report.

41. In the ensuing discussion on the four tracks, many participants drew attention to the crucial importance of mainstreaming the sound management of chemicals and wastes into other sectors at all levels and raising awareness of the need to do so. One participant argued that mainstreaming chemicals into national, regional and international development agendas was necessary to achieving increased financing for chemicals rather than merely a track. Another participant, supported by others, suggested that mainstreaming should be regarded as a tool to achieve the goal of the process rather than a track, noting the overarching nature of mainstreaming.

42. In the discussion of public-private partnerships, one participant expressed the view that they enabled broader access to resources. In view of the current global financial situation, which was posing problems for developed and developing countries alike, private-sector resources represented one of the greatest opportunities for such partnerships. One participant sought clarification from others regarding their understanding of public-private partnerships. Such partnerships should not be defined, she argued, as the private sector taking over public-sector activities and being paid to do so. She questioned the focus on development financing of the current discussions on chemicals financing in the light of the extremely profitable nature of the chemicals industry. Another participant suggested that public-private partnerships, like mainstreaming, were an essential tool for chemicals management, especially at the national level. One participant drew attention to the difficulties of engaging large corporations in public-private partnerships and the limited financing that such partnerships had yielded to date. He underscored the need for a new financial mechanism underpinned by new and additional financing under the authority of the parties to the conventions in question.

43. One participant suggested that, while the green economy concept might offer considerable opportunities for chemicals and wastes financing, there was currently no internationally agreed definition of the concept. In addition, it related to just one of the pillars of sustainable development and did not, therefore, provide a balanced approach. Another participant disagreed, saying that the concept had the potential to minimize wasted resources and promote cleaner production, chemicals leasing and safer and more sustainable alternatives to hazardous substances, among other things, while providing financing opportunities. He concurred on the need to develop an internationally agreed definition of the concept, especially if the chemicals and wastes sector was to be mainstreamed into green economy activities. One participant said that the green economy represented an effective means

of linking the three pillars of sustainable development. She stressed the importance, however, of considering who the beneficiaries of the green economy were, especially when replacing practices that benefitted the poorest sectors of society. One participant sought clarification regarding the difference between green growth and the green economy.

44. A number of participants referred to national developments and initiatives. Several stressed that, while efforts to combat climate change were seen as a key priority in developing countries, there was a general lack of awareness of the importance and impacts of the chemicals and wastes agenda. They drew attention to the need for concerted awareness-raising and education in that regard. One participant, noting some countries' reluctance to take steps that might inhibit national-level investment by the chemicals industry, stressed the importance of helping developing countries to establish enforceable national regulations for the chemicals industry.

45. One participant said that it was necessary to consider the entire life cycle of chemicals in dealing with their disposal and drew attention to the history of the joint approach to chemicals and wastes, arguing that if chemicals and wastes were not tackled in tandem then countries would face major challenges in dealing with stockpiles. Another participant noted that under the Africa Stockpiles Programme any expired chemicals or pesticides were treated as waste.

IV. Awareness-raising and outreach initiatives on sound management of chemicals and wastes

46. Mr. David Ogden, Coordinator, Secretariat of the Stockholm Convention on Persistent Organic Pollutants, introduced a short documentary film on the United Nations Campaign for Responsibility on Hazardous Chemicals and Wastes, known as "Safe Planet". The Campaign provided a vehicle for promoting public awareness of and interest in chemicals and wastes as part of the outreach campaign of the Basel, Rotterdam and Stockholm conventions, partnering with organizations that were already involved in relevant activities and thereby reducing costs. It aimed to respond to the general lack of public awareness of chemicals and wastes, which had resulted in the lack of the sector's integration into development strategies and lack of support for its funding. The campaign also aimed to raise awareness of the United Nations Body Burden Forum, which publicized the toxic chemical burden borne by humans through biomonitoring of well-known public figures to increase understanding of the need for improved chemicals management. Other means of awareness-raising included art exhibitions, outreach events at international meetings and the Sea Dragon 5-gyres expedition, which provided a platform for the study of plastics pollution in the world's oceans.

47. Following the presentation, a short video was shown on the Sea Dragon 5-gyres expedition. The video provided insight into plastic waste from land-based activities accumulating in the world's oceans and its devastating impact on marine organisms and raised questions about the impact of plastic pollution on human health.

48. In the ensuing discussion, several participants recounted their own national experiences of the issues raised. One mentioned the blight of black plastic bags disfiguring many of the world's deserts, while another described a partnership with industry to eliminate them in his country. Another gave anecdotal evidence of high levels of mercury in the general population in his country. Several expressed an interest in engaging further with UNEP on awareness-raising and outreach initiatives.

49. One participant asked whether research had been undertaken to generate objective data on the level of awareness of various aspects of chemicals and wastes among communities, including at the national level. While there was a general assumption that awareness was low, it was also agreed that it would be useful to compile baseline data identifying exactly where gaps in awareness occurred to inform outreach activities targeting specific areas and communities and to ensure that resources were deployed as effectively as possible. Such information could also help in determining whether a given campaign should have a country focus or a broad international focus.

50. Another participant observed that awareness of various types of risk varied; awareness of plastic bag pollution, for example, was likely to be higher than awareness of hazardous substances in articles, and products, and indeed in the human body. Mr. Ogden said that to his knowledge no systematic study of awareness levels had been undertaken, but he concurred that, from his experience, awareness of the body burden of chemicals was very low. One participant said that the Safe Planet documentary had prompted considerable dialogue in his country on chemicals in daily life, and the issue had become more prominent on the political agenda.

51. One participant said that if awareness-raising were to be mainstreamed with the aim of improving financing for chemicals management it would be necessary to identify and involve key stakeholders. Another said that different stakeholders required different approaches; for example,

participants at chemicals-related international meetings were probably already well informed but there was potential for increasing awareness in broader forums. The continuing work under the rubric of the Global Chemicals Outlook report promised to provide data on the health, environmental and economic implications of chemicals and wastes that could help build an argument in favour of urgent action. Another participant stressed the role of non-governmental organizations in helping to disseminate information and knowledge at the community level. Another said that educational establishments and municipal councils were also effective venues for advocacy.

52. One participant drew attention to a campaign by his organization highlighting the most acutely polluted locations on the planet. The validity of the data had been verified through a technical assessment and the campaign had caught the attention of the media. Follow-up work was being undertaken on polluted sites worldwide, funded in part by the European Union. The key message was that the number of people in contact with toxins at levels that were dangerous constituted a public health threat of comparable magnitude to more well-publicized threats such as HIV/AIDS, tuberculosis and malaria.

53. One participant said that, given the strong public health implications of chemicals issues, it would be advantageous to explore further links with the health sector, including through activities relating to the health-related Millennium Development Goals in addition to goal 7, on environmental sustainability. Such a move could widen the scope of financing available. Another said that a way of extending the message to the health sector was to introduce resolutions dealing with environment–health linkages to the two main bodies of the World Health Organization: the Executive Board and the World Health Assembly. He urged participants to follow up on the matter with their permanent missions to the United Nations in Geneva.

V. Concluding recommendations, including action plan

54. Introducing the item, the co-chair recalled the history of the consultative process and stressed that the aim of the current meeting was to develop advice on the way forward to achieve a better financial approach for chemicals and wastes. Describing the intended nature of the consultative process as extrovert, he underscored the need for interaction with various forums that had helped to establish the process and hoped to profit from its discussions. Participants in the process included government representatives advancing a political agenda, the need for which had been agreed upon.

55. He introduced an outcome document known as the “Pretoria Road Map”, which, he said, was based on the concept note and on deliberations at the current meeting, keeping in mind principles such as that of common but differentiated responsibilities. The basic premise was that consideration of the four tracks had led to the conclusion that each track needed to be pursued further and that none should be discarded. The action outcome contained in the document set out a list of activities to be undertaken, which might be strengthened through synergistic actions. The main intention of the document was to capture an integrated approach including the four tracks and ideas for the focus of future work.

56. Many participants lauded the positive spirit of cooperation and collaboration that had characterized the current meeting. Deliberations, said one, had been robust and positive. Many participants expressed their gratitude to the Government of South Africa for hosting the meeting.

57. There was discussion regarding the form that the outcome document of the current meeting should take. Some participants favoured a co-chair’s summary, given that a lack of time had not allowed for consensus to be reached on all outstanding issues. Many underscored the importance of the outcome document reflecting the common understanding that had been reached at the meeting. It was agreed that the document should not summarize discussions at the current meeting nor provide a definitive way forward and that it should make clear that, while it represented the common understanding of the participants at the meeting, it was not a negotiated or agreed text.

58. One participant underscored the need, having discussed the four tracks in a general manner, to consider each in a more specific way, including which would be most suitable for different chemicals management processes. Another concurred on the need for proposals for further work to be related to the chemicals and wastes conventions and the potential of the various elements to be considered in various contexts.

59. One participant underscored the need for specific activities to be decided on at the fourth meeting in the consultative process and for a robust solution to structural problems in existing chemicals and wastes mechanisms and conventions, including the lack of new and additional resources to support the sector.

60. One participant reiterated that careful consideration should be given to making optimal use of each track to provide for better funding for sound chemicals and wastes management and said that any obstacles should be tackled in a practical manner, including by combining tracks. He drew attention to the need for all stakeholders to participate fully in the process leading up to the fourth meeting in the consultative process.

61. One participant underscored the importance of mainstreaming as a tool to ensure a multisectoral approach to chemicals and wastes. Another said that, although mainstreaming had been identified by some participants as a tool; that should not diminish its importance as a means to tackle the issue at stake. A third sought clarification regarding the distinction between a tool and a track, noting that each track identified represented a means to channel funding rather than provide it; it was therefore not helpful to arrange them hierarchically. One participant said that further analysis on mainstreaming should be derived from related projects being undertaken by UNEP and the United Nations Development Programme.

62. A number of participants drew attention to the difficulty of establishing public-private partnerships at the international level and the particular problems faced by developing countries in identifying domestic opportunities for such partnerships. One requested further analysis of the practicability of using public-private partnerships for financing the chemicals and wastes agenda, including to what extent they might be useful in developing countries. Another said that the main focus of chemicals financing should not be on a mechanism like the Multilateral Fund or GEF. He called for prominence to be accorded to public-private partnerships for financing the chemicals and wastes agenda at the national and international levels. A number of participants underscored the importance of industry involvement in partnerships between the public and private sectors. One said that it was important to analyse further the involvement of industry and to ensure that it was included in any solution to financing the chemicals and wastes agenda.

63. Several participants expressed the view that the Multilateral-Fund-type option should receive particular attention as it provided the optimal means to respond to hard obligations and the gap between financial need and available resources. Others said that further analysis of that option was required. One participant said that a fund for chemicals and wastes financing should be nimble, providing easy access to funding in a cost-effective and expeditious manner. Robust structural changes were required to establish such a mechanism. One participant said that the work of a potential Multilateral-Fund-type mechanism should be focused on compliance with and achieving better implementation of the chemicals and wastes conventions. Such a mechanism would have great potential to improve the international chemicals and wastes architecture, decrease fragmentation, avoid duplication of effort and ensure improved implementation. She said that enhancing financing predictability was a very important strategic approach but cautioned that predictability should not be understood to refer to mandatory or assessed contributions. Another participant concurred on the need to focus on achieving greater predictability of funding without implying any obligation for increased financial commitments.

64. One participant suggested that a Multilateral Fund approach might be more suitable for binding obligations emanating from the chemicals and wastes conventions, while the GEF approach would be more suitable for soft law obligations. He requested UNEP to consider studying that idea in collaboration with Multilateral Fund and GEF experts. Another participant agreed that GEF, while playing an important role in assisting developing countries, was useful for soft loans but, as a result of insufficient funding, was less so for time-limited phase-out activities. Another participant emphasized that a successful financial mechanism should benefit from new, additional, adequate and predictable funding while not jeopardizing existing mechanisms or initiatives. Another participant emphasized the importance of due consideration being given to the establishment of a new fund under GEF.

65. One participant, noting that it was in the common interest to avoid the loss of potentially valuable sources of funding, strongly advocated not downplaying the role of any track. Another stressed the importance of the application of the Rio principles and, in particular, of the principle of common but differentiated responsibilities, in the outcome document. Several said that it was important to consider the particular opportunities and challenges associated with each option, and, said one, to ensure that no new burdens were imposed on developing countries.

66. Several participants highlighted the importance of matching elements of the Pretoria Road Map to the chemicals and wastes conventions and the Strategic Approach to International Chemicals Management. Several participants stressed the need to examine the roles of the various tracks, complementarities and how they could contribute to the broader integrated approach to chemicals and wastes management. One said that an action plan for the way forward should set out responsibilities and provide analysis of roles to facilitate implementation with key consideration for partnerships and

options for awareness-raising. It would provide an example of cooperation and coordination between key stakeholders from a cross-section of society at all levels.

67. Participants agreed to entrust the co-chairs, working with the secretariat, with the task of finalizing the Pretoria Road Map on the basis of comments made. The revised version of the Pretoria Road Map is set out in annex II to the present report.

VI. Other matters and next steps

68. In response to a request for clarification, the representative of the secretariat said that, by its decision SS.XI/8, the Governing Council had requested the Executive Director to report to relevant intergovernmental processes on progress made in and the direction of the consultative process, with the aim of providing a final report for consideration by the Governing Council/Global Ministerial Environment Forum at its twelfth special session, in 2012. To ensure that the report was ready for submission to the Governing Council in February 2012, the process should preferably conclude by November 2011 to allow for editing and translation of the report for submission to the Governing Council/Global Ministerial Environment Forum at its twelfth special session. Following discussions within UNEP on the need for additional meetings, it was recommended that two further meetings might be considered prior to 1 November 2011, with the possibility that the process participants might recommend a final meeting of the consultative process in the period between the twelfth special session of the Governing Council and the third session of the International Conference on Chemicals Management. The purpose of that final meeting, which could be held in the margins of the United Nations Conference on Sustainable Development, would be to prepare recommendations for consideration and possible adoption as decision by the International Conference on Chemicals Management at its third session and the Governing Council/Global Ministerial Environment Forum at its twenty-seventh session, in line with decision SS.XI/8.

69. Referring to the timetable of meetings set out in the Pretoria Road Map, participants offered differing views of when the fourth meeting in the consultative process might be held. It was agreed that the secretariat would contact stakeholders with information regarding possible dates and venues for the meeting.

70. One participant asked the secretariat to convey participants' best wishes to Ms. Angela Cropper, the Deputy Executive Director of UNEP, who was stepping down from her post for personal reasons. She expressed the hope that Ms. Cropper's creative genius would continue to influence work under way.

VII. Closure of the meeting

71. Following the customary exchange of courtesies, the meeting was declared closed at 5.10 p.m. on Tuesday, 11 January 2011.

Annex I

Strengths, weaknesses, opportunities and threats for each of the four tracks identified by the breakout groups

Track 1: Mainstreaming the sound management of chemicals and wastes into other sectors of the development agenda

Mainstreaming

- Starting point: everybody agrees on the importance of mainstreaming – but nevertheless, it does not often become reality. Why is this so and what can we do about it?
- General remarks
 - Observe the three dimensions: national, regional, and international
 - Mainstreaming has to be there anyway, but it is not “the” funding mechanism needed
 - Needed are new and additional funds (not: less money for Aids but more money for chemicals)

Strengths

- Ongoing UN activities can be used (e.g. activities in the frameworks of UNDG, UNDAF, UNDP-UNEP Partnership Initiative, UN Poverty and Environment Initiative (PEI), UNEP-WHO Health and Environment Linkages Initiative (HELI), among others), while further clarification is needed on the practical value of these activities
 - Some 12 countries working with UNDP on mainstreaming
 - Some 20 countries analysing chances of linking health and environment
- Thus: by the end of this year a compendium of positive examples and options for mainstreaming should be available
- Integrating SCWM from the very beginning of activities is often much more effective and cheaper than later clean-up and remediation activities

Weaknesses

- Chemicals and waste, and - more generally – environment, is not a top priority in many DCs, it is considered a somewhat “esoteric” issue, it does not have weight within governments’ agendas
- It is not attractive for politicians to talk about “dirty chemistry” or hazardous waste areas when there is no chance to solve the problem and to get the needed money for the solution

Opportunities

- Chemicals are involved virtually everywhere so the point can be made that their sound management is also needed everywhere
- Mainstreaming does not have to start from scratch, but can build upon existing institutions and policies
- There are quite a few candidate sectors for mainstreaming: health, agriculture, safe drinking water, climate change, poverty reduction through economic growth etc.; the choice of the area is then country-specific
- International calendar offers opportunities that could be used for promotion of mainstreaming: e.g. Rio+20, and all the other int’l meetings this year
- Green economy offers particular opportunities for SCWM but has to be convincingly elaborated
- “Cost of inaction” will deliver good arguments when properly prepared

- Regional centres and offices could be used in mainstreaming

Threats

- We may be unsuccessful in the concert of competing priorities
- Mainstreaming projects remain time-limited and often do not provide for a sustainable, permanent development that would be needed
- Mainstreaming may fail regarding the necessary enforcement
- Mainstreaming is not “the” answer to the financial needs in the SCWM

Other remarks

- To make this consultative process a success we need action between this and the next meeting. One function of the “action plan” is to identify the actions and the persons/institutions who will work on them.
- One idea could be pilot projects involving a developing country, a developed country, and an international organisation, and the project might be designed for demonstration purposes

Track 2: Public-private partnerships, including the use of economic instruments at the national and international levels

Strength	Weaknesses
W: Domestic MOU with responsibilities Sound regulatory framework in place	W: International C: lack of enforcement and regulation, no MOU- no responsibilities, lack of benchmarking
Economic instruments: Based on broad industry activities Cost recovery principle is sound	Economic instruments: Tax structures failure to achieve the goal
Opportunities	Threats
C: International More financial and technical assistance from private sector	C: No MOU, no responsibility If no sound regulatory framework is in place

Other Comments, including on complementarities to other tracks:

- Regulatory framework and strong enforcement are preconditions to PPP.
- Public involvement is precondition before launching a PPP.

Economic instruments

Strength	Weaknesses
based on broad industry activities cost recovery principle is sound	tax structures failure to achieve the goal
Opportunities	Threats

Other Comments, including on complementarities to other tracks:

Track 3: New trust fund similar to the Multilateral Fund for the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer

Strength	Weaknesses
<p>Small secretariat Light structure Based on tech and economic assessment process. Not burdensome compared to other structures like GEF. Funding not earmarked Decreased fragmentation = efficiency Enhanced predictability of resources MLF can fulfil the principle of the CBDs and respective capacities Includes all parties Pay only incremental costs</p>	<p>Very different needs among developing countries, need to be accessible to all developing countries (like South Africa and Kazakhstan) Not focused as MLF – many areas of concern in chemicals agenda. Dealing with many COP. Constituencies are different, reaching agreement may be difficult.</p>
Opportunities	Threats
<p>Concentrating resources in fewer areas means allocating more money</p> <p>Compliance to include means of implementation: tech transfer, research, capacity building, etc. Compliance linked – compliance enabling Complements GEF funding Reaching agreement may be facilitated by the cooperation and coordination process of the three chemicals and waste conventions The possibility of using an operational structure that already exists, avoiding the creation of new expensive mechanisms</p>	<p>There must be an adequate flow of new, additional and predictable financial resources for supporting the sound management of chemicals and wastes, but these resources could be reshuffled drawing from a main pool</p> <p>Not a problem for some donors to put new and additional funds, but opening a new purse may not mean more money</p>

Other Comments, including on complementarities to other tracks:

It was agreed that it is better to have a new fund for the 3 conventions rather than amend the MLF.

Compliance enabling is facilitative not punitive.

Funding should address MEA obligations

Track 4: Introducing sound management of chemicals and wastes as a new focal area, or expanding the existing persistent organic pollutants focal area, under the Global Environment Facility

Strength	Weaknesses
<ul style="list-style-type: none"> • Funding for the chemicals has been increased • Largest environmental fund • GEF has an existing structure • Has high rate of success if proposals are within the strategic objectives and rules • Incremental funding creates ownership and commitment • The guidance from the Stockholm convention cop is followed for POPs 	<ul style="list-style-type: none"> • Cumbersome procedures • Project preparation period/time long • Cofinancing could be a challenge • Multi-agency execution could be a challenge • Lack of predictability (focal area and replenishment) • Limited scope (waste/global benefits) • No guidance for SCM of chemicals except for mercury and POPs
Opportunities	Threats
<ul style="list-style-type: none"> • Good timing in terms of interest of the council • Synergy process presents a good opportunity • Ongoing reform within the institution • Chemicals as cross cutting issues link to other financing possibilities • Clarification of global benefits of SCM of chemicals is possible 	<ul style="list-style-type: none"> • Vulnerable to economic conditions • Competition with other political priorities • Fragmented nature of the chemicals and waste governance

Other Comments, including on complementarities to other tracks:

There are three different options within track 4

A new focal area (would signal additional political priority and may attract more funding; A new focal area would require assembly decision)

- Partitioning of existing focal area
- New fund

They would require different decision making

There are linkages between all of the tracks. GEF and MLF are not mutually exclusive. GEF is increasing the PPP participation.

Annex II

Pretoria Road Map

Introduction

1. The third meeting in the consultative process on financing options for chemicals and wastes was held in Pretoria on 10 and 11 January 2011 following the adoption of decision SS.XI/8 on the consultative process on financing options for chemicals and wastes at the eleventh special session of the United Nations Environment Programme (UNEP) Governing Council/Global Ministerial Environment Forum held in Bali, Indonesia, from 24 to 26 February 2010.
2. At the Pretoria meeting, the participants welcomed the steps taken by the UNEP secretariat with a view to implementing decision SS.XI/8, and further commended it on its efforts to organize and prepare the meeting.
3. Participants reiterated the importance and value of the consultative process, noting in particular that 2011 and 2012 presented a unique opportunity for advancing the discussions on financing options for chemicals and hazardous wastes, given the large number of intergovernmental meetings taking place and the conclusion of other relevant processes during that period.

I. Elements for an integrated approach to financing chemicals and hazardous wastes management

4. The following paragraphs reflect common understanding in the meeting but are not negotiated text.
5. The participants identified the need further to discuss and analyse the elements of the four tracks:
 - (a) Mainstreaming sound management of chemicals and hazardous wastes;
 - (b) Industry involvement, including public-private partnerships and the use of economic instruments at the national and international levels;
 - (c) New trust fund similar to the Multilateral Fund for the Implementation of the Montreal Protocol;
 - (d) Introducing safe chemicals and wastes management as a new focal area, expanding the existing persistent organic pollutants focal area under the Global Environment Facility (GEF) or establishing a new trust fund under GEF.
6. Deliberations focused on the above-mentioned elements and their complementary components towards strengthening the financing for chemicals and hazardous wastes management. Accordingly, these elements could be viewed as constituent parts of an integrated approach to financing chemicals and hazardous wastes management.
7. To further the development and discussion of the elements for such an integrated approach at subsequent meetings of the consultative process leading to the outcome of the process, the need for a comparative analysis of the above-mentioned tracks was identified. The objective of this analysis was to determine the role that each element could play in contributing to an integrated approach.
8. The need for further analysis of the different elements based on the discussions and reflections at the meeting and as contained in the report of the meeting was identified such an analysis should also spell out the complementarity of the tracks and possible further streamlining and integration of the elements.
9. In preparing further analysis, it is to be noted that the challenges faced in tackling the sound management of chemicals and hazardous wastes are different, including the challenges of the conventions, and that the consultative process seeks to identify solutions.

II. Action outcome

A. Requests to the UNEP secretariat

10. Participants requested the secretariat to provide further supporting material, working in close cooperation with the secretariats of 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 on Persistent Organic Pollutants, in addition to other key stakeholders such as GEF and the Multilateral Fund.

11. The UNEP secretariat should undertake a comparative analysis as described in paragraph 8 and further analysis of the elements as described in paragraph 9.

12. Furthermore, the UNEP secretariat should provide:

(a) Further analysis of the GEF track in respect of the global benefits of the sound management of chemicals and hazardous wastes;

(b) Further analysis of the track on a new trust fund similar to the Multilateral Fund, including various possible operating structures;

(c) Further analysis of the role of industry, including at the national level, in financing the sound management of chemicals and hazardous wastes. The analysis was to include consideration of the linkages to regulatory frameworks and the role of industry and public authorities;

(d) Further analysis of the challenges, practical value, lessons learned and best practices related to mainstreaming the sound management of chemicals and hazardous wastes in other sectors of the development agenda, including a compendium of positive mainstreaming examples at the national level;

(e) Analysis of the effectiveness of relevant United Nations strategic coordination processes at the national level, such as United Nations development assistance frameworks, and other relevant activities and stakeholders, such as the United Nations Development Group, the partnership initiative between the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP), the Poverty-Environment Initiative of UNDP and UNEP and the Health and Environment Linkages Initiative administered jointly by UNEP and the World Health Organization.

13. Governments, civil society, the private sector and other key stakeholders were encouraged to undertake outreach and awareness-raising activities with regard to the sound management of chemicals and hazardous wastes at the national and regional levels.

B. Timeline for the consultative process

14. In line with decision GCSS.XI/8, by which the Governing Council requested the Executive Director of UNEP to provide a final report on the consultative process for consideration by the Governing Council/Global Ministerial Environment Forum at its twelfth special session, in 2012, and with the aim of achieving possible decisions at the third session of the International Conference on Chemicals Management, in 2012, and at the twenty-seventh session of the Governing Council, in 2013, the participants recommended the following next steps:

(a) *May 2011*: Fourth meeting in the consultative process, to be held in the margins of or in parallel with the nineteenth session of the Committee on Sustainable Development, in New York from 2 to 13 May 2011;

(b) *October 2011*: Fifth meeting in the consultative process, to be held back-to-back with the tenth meeting of the Conference of the Parties to the Basel Convention, in Cartagena, Colombia, from 17 to 21 October 2011;

(c) *November 2011*: Submission by the secretariat, through the Executive Director of UNEP, of the final outcome of the process for consideration by the Governing Council at its twelfth special session;

(d) *February 2012*: Consideration of the final report on the consultative process by the Governing Council at its twelfth special session;

(e) *May/July 2012*: Sixth meeting in the consultative process, to be held in the margins of the United Nations Conference on Sustainable Development, to prepare information or

recommendations for consideration by the International Conference on Chemicals Management at its third session and by the Governing Council at its twenty-seventh session;

(f) *Late 2012*: Consideration by the International Conference on Chemicals Management at its third session of a possible draft decision on financing tracks for the sound management of chemicals and hazardous wastes;

(g) *February 2013*: Consideration by the Governing Council at its twenty-seventh session of a possible draft decision on financing tracks for the sound management of chemicals and hazardous wastes.

15. Lastly, the participants reiterated their request to the Executive Director to report on the progress made and the direction of the consultative process to relevant intergovernmental processes in 2011 and 2012, including to the conferences of the parties to the Basel, Rotterdam and Stockholm conventions at their meetings in 2011; to the Commission on Sustainable Development at its nineteenth session, in 2011; to participants in the preparatory meetings for the third session of the International Conference on Chemicals Management; and to the governing bodies of GEF with the aim of providing a final report for consideration by the Governing Council at its twelfth special session, in 2012, and of achieving possible decisions at the third session of the International Conference on Chemicals Management, in 2012, and at the twenty-seventh session of the Governing Council, in 2013.

16. In addition, it was requested that UNEP should also report to the intergovernmental negotiating committee to prepare a global legally binding instrument on mercury on the progress of the consultative process.

17. It was recognized that each of the conventions and instruments related to chemicals and hazardous wastes faced specific challenges and, in that context, work should continue towards developing recommendations properly to address those challenges, as appropriate.

18. The recommendations of the consultative process are to be contained in the final report of the consultative process for consideration by the Governing Council/Global Ministerial Environment Forum at its twelfth special session, in 2012.
