



Distr.: General
11 December 2012

Original: English



**Governing Council
of the United Nations
Environment Programme**

**Twenty-seventh session of the Governing Council/
Global Ministerial Environment Forum**
Nairobi, 18-22 February 2013
Items 4 (a) and (f) of the provisional agenda**

**Policy issues: state of the environment;
environment and development**

**Consultative process on financing options for chemicals and
wastes: implementation of Governing Council decisions SS.XI/8,
26/7 and SS.XII/4**

Report of the Executive Director

Summary

The present report presents the Executive Director's proposal on an integrated approach to financing the sound management of chemicals and wastes as requested in Governing Council decision SS.XII/4 as the final outcome of the consultative process on financing options for chemicals and wastes.

The consultative process was launched by the Executive Director at the fourth meeting of the Conference of the Parties to the Stockholm Convention on Persistent Organic Pollutants, held in May 2009, with the aim of addressing the increased need for sustainable, predictable, adequate and accessible financing for the chemicals and wastes agenda while also increasing the political priority accorded to the sound management of chemicals and wastes.

Following five meetings in the country-led consultative process on financing options for chemicals and wastes between 2009 and 2011, the non-negotiated outcome document of the process (UNEP/GCSS.XII/INF/7) presented an integrated approach to financing the sound management of chemicals and wastes through three complementary and mutually reinforcing tracks: mainstreaming of the sound management of chemicals and wastes into development planning; industry involvement; and external financing through a Global Environment Facility focal area or trust fund or a fund modelled on the Multilateral Fund for the Implementation of the Montreal Protocol.

The Executive Director presented a report to the Governing Council/Global Ministerial Environment Forum at its twelfth special session on the outcome of the consultative process as at 28 December 2011 (UNEP/GCSS.XII/8), describing, among other things, the integrated approach presented in the consultative process outcome document. In response the Governing Council, in decision SS.XII/4, requested the Executive Director to continue to support the consultative process with a view to elaborating further a final outcome based on the integrated approach and to prepare a proposal, seeking advice thereon through a consultative process, for consideration and possible

* Reissued for technical reasons on 28 January 2013.

** UNEP/GC.27/1.

adoption by the Governing Council at its twenty-seventh session.

The Executive Director's proposal on an integrated approach to financing sound management of chemicals and wastes, taking into account the advice from Governments and other stakeholders, is set out in section IV of the present report.

Complementing the mainstreaming of the sound management of chemicals and wastes into development planning and industry involvement, the proposal suggests combining a revised integrated GEF focal area on chemicals and wastes, and hence the use of the existing well-functioning replenishment mechanism under GEF, with a special programme fund for chemicals and wastes established through a suitable entity. In doing so the proposal seeks to respond to the views expressed by Governments during the consultative process and the advice provided to the Executive Director on his proposal. The proposal also seeks to address, in a balanced manner, the support of some countries for the establishment of a fund like the Multilateral Fund. In addition the proposal suggests that institutional strengthening activities, through the establishment or reinforcement of chemicals and wastes units in developing countries, as appropriate, should be an integral part of the integrated approach.

I. Suggested action by the Governing Council

1. The Governing Council may wish to consider the adoption of a decision along the lines suggested by the Executive Director. The suggested action will be submitted separately to the Committee of Permanent Representatives for its use in the preparation of draft decisions for consideration by the Council.

II. Mandate

2. Section IV of the present report sets out a proposal by the Executive Director of the United Nations Environment Programme (UNEP) on an integrated approach to financing the sound management of chemicals and wastes. The proposal has been developed in response to decisions SS.XI/8 and SS.XII/4 of the Governing Council of UNEP, in which the Governing Council recognized the increased need for sustainable, predictable, adequate and accessible financing for the chemicals and wastes agenda and the need for heightened efforts to increase the political priority accorded to the sound management of chemicals and wastes.

3. The proposal takes into account the outcome of the consultative process on financing options for chemicals and wastes¹ launched by the Executive Director at the fourth meeting of the Conference of the Parties to the Stockholm Convention on Persistent Organic Pollutants, held in May 2009, as well as discussions on financing the sound management of chemicals and wastes in other forums and written comments provided by Governments and other stakeholders.

4. In line with the above-mentioned decisions, the proposal is being presented for consideration and possible decision by the Governing Council/Global Ministerial Environment Forum at its twenty-seventh session.

III. Context

5. The consultative process on financing options for chemicals and wastes was launched by the Executive Director in response to an impasse in the discussions on financial issues at the fourth meeting of the Conference of the Parties to the Stockholm Convention on Persistent Organic Pollutants and similar impasses in discussions in other forums on financing for chemical and waste management. It is aimed at identifying sustainable and long-term financial solutions at both the national and international levels to the challenge of meeting the 2020 targets on chemicals and wastes and obligations under multilateral environmental agreements relating to chemicals and wastes.

6. During the consultative process, participating Governments and other stakeholders widely shared the perception that countries faced challenges in financing the sound management of chemicals and wastes and that solutions to such challenges, in addition to heightened efforts to increase the political priority accorded to the sound management of chemicals and wastes, were needed.

7. Most recently the same views were stated in “The future we want”, the outcome document of the United Nations Conference on Sustainable Development,² in which Heads of State and Government expressed deep concern that many countries, in particular the least developed countries, lacked the capacity for the sound management of chemicals and wastes throughout their life cycle and that additional efforts were needed to enhance work to strengthen capacities, including through partnerships, technical assistance and improved governance structures. In the same document, they acknowledged that sustainable and adequate long-term funding was a key element for the sound management of chemicals and wastes, in particular in developing countries.

IV. Executive Director’s proposal for an integrated approach to financing the sound management of chemicals and wastes

A. Philosophy and principles of an integrated approach

8. The philosophy behind the integrated approach to financing the sound management of chemicals and wastes is to address, in a holistic and comprehensive manner, the multiple and multifaceted financing challenges facing Governments at the national and international levels in the

¹ Information, including outcome and background documents, on the consultative process for financing options for chemicals and wastes, in which six meetings have been held, is available at www.unep.org/delc.

² General Assembly resolution 66/288, annex.

implementation of existing and possible future chemicals- and wastes-related conventions and international policy frameworks on chemicals and wastes.³

9. Recognizing that the current level of financial resources available for the sound management of chemicals and wastes must be strengthened in order to meet the 2020 targets on chemicals and wastes and associated obligations, the integrated approach presents a solution that widens the current scope for financing by making enhanced and complementary use of national and international sources of financing. The approach integrates multiple funding sources in a synergistic and coordinated manner with the overall aim of bringing new, additional, sustainable and predictable resources to the implementation of the chemicals and wastes agenda at all levels. Strengthening the regional delivery mechanisms of the chemicals- and wastes-related conventions through the network of regional centres is key to reinforcing the operationalization of the integrated approach, as that network can build a bridge between needs and funding requirements.

10. The integrated approach, in principle, seeks to further complement the continuing synergistic programming in the area of chemicals and wastes, in particular at the national level, by presenting a solution that, from a financial resource perspective, addresses in a holistic manner the advantages and efficiency gains of a multi-convention and international policy framework approach for enhanced implementation.

11. The integrated approach requires, in principle, the full involvement of the national ministries of finance of developing and developed countries in parallel with ministries of environment, to address in a holistic and integrated way the challenge of funding the sound management of chemicals and wastes.

12. While each component of the integrated approach alone, even combined with domestic resources, cannot provide adequate financial resources to meet Governments' needs with regard to their obligations for the sound management of chemicals and wastes, the fundamental principle of the integrated approach is that when taken together and implemented simultaneously by a multitude of stakeholders, the three components of the approach combined would yield new and additional resources for enhancing implementation at the national level.

13. The proposal presents a solution that aims at benefiting from existing mechanisms, structures and processes for greater cost effectiveness and strengthening public-private partnerships and national institutions.

14. The integrated approach will support Governments in their efforts to meet their goals and comply with their obligations under chemicals- and wastes-related conventions and efforts to implement international chemical and waste policy frameworks, with due consideration for the differences between the conventions and frameworks in terms of the status of the obligations under each and their membership.

B. Objective of the integrated approach

15. The objective of the integrated approach to financing the sound management of chemicals and wastes is to support efforts at the national and international levels to secure sustainable, predictable, adequate and accessible financing for the sound management of chemicals and wastes.

C. Components of the integrated approach

16. The integrated approach is composed of three complementary and interlinked components:

- (a) Mainstreaming of the sound management of chemicals and wastes into development planning;
- (b) Industry involvement;
- (c) Dedicated external financing.

17. Mainstreaming, industry involvement and dedicated external financing are three ways of integrating the domestic resources that Governments bring to the table as they meet their obligations

³ Throughout the present proposal the term "existing and future chemicals- and wastes-related conventions" includes, but is not limited to, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the Stockholm Convention on Persistent Organic Pollutants, as well as the future global legally-binding instrument on mercury currently being negotiated. The term "international policy frameworks" includes, but is not limited to, the Strategic Approach to International Chemicals Management.

on chemicals and wastes. There is no predefined hierarchy of the three components, as their respective roles may be determined by national circumstances.

(i) Mainstreaming of the sound management of chemicals and wastes into development planning

18. As chemicals and wastes management cuts across all economic development and natural resource sectors, including agriculture, health, environment, water, transport, industry, energy and mining, mainstreaming can leverage significant resources for the chemicals and wastes sector.

19. Furthermore owing to the potential environmental and health problems posed by some chemicals and wastes, mainstreaming will enhance the collective gains from effective management of chemicals and wastes, including poverty alleviation and sustainable development.

20. To ensure that mainstreaming becomes an effective component in meeting the chemicals and wastes targets, the integrated approach proposes the following non-exhaustive list of actions for implementation by Governments and other stakeholders as appropriate:

- (a) Integrate chemicals and wastes into national development plans;
- (b) Undertake analytical and diagnostic work to increase awareness of the benefits of the sound management of chemicals and wastes at all levels, including through the use of the Global Chemicals Outlook, a report being prepared by UNEP on the cost of inaction in respect of chemicals and wastes at the national level and existing partnerships between UNEP and the United Nations Development Programme on the subject of mainstreaming;
- (c) Promote efforts to ensure, including through the use of the above-mentioned reports, country buy-in to the mainstreaming of chemicals and wastes priorities in national budgeting and planning processes;
- (d) Integrate the sound management of chemicals and wastes, including by national administrations, into national budgets and sector and development plans for agriculture, health, environment, water, transport, industry, trade, energy, mining and other relevant sectors;
- (e) Mobilize the environment and health constituencies, including civil society;
- (f) Articulate chemicals and waste priorities in country assistance plans and strategies of multilateral and bilateral agencies, such as World Bank country partnership strategies and United Nations development assistance frameworks;
- (g) Incorporate chemicals and wastes considerations in plans and programmes for the strengthening and growth of economic and natural resource sectors in the context of green economy initiatives and sustainable development goals;
- (h) Utilize international, regional and national development organizations, agencies and policy frameworks to promote the mainstreaming of chemicals and wastes into development planning processes;
- (i) Enhance institutional and technical capacity for coordination, decision-making and monitoring;
- (j) Streamline work aimed at catalysing cooperation and coordination at the regional and global levels through existing delivery mechanisms such as regional centres;
- (k) Promote overall engagement, coordination and partnerships in respect of international financial institutions (such as Bretton Woods), regional development banks and other financial institutions.

21. By ratifying and becoming parties to the chemicals- and wastes-related conventions and participating in international policy frameworks on chemicals and wastes, States will be taking important steps to plan, implement, enforce and monitor the chemicals and wastes standards that are key to achieving the objective of mainstreaming the sound management of chemicals and wastes.

22. Overall, mainstreaming the sound management of chemicals and wastes into national development plans in developing countries and into the international development assistance priorities of developed countries will contribute to the reshaping of budgets, allowing for the possibility of national and international financing for the sound management of chemicals and wastes and thereby facilitating the achievement of the 2020 targets. The direct impact of mainstreaming will be the alignment of regulation, economic instruments and other policy instruments.

(ii) Industry involvement

23. Industries at all points in the chemicals sector value chain have critical roles to play in supporting the chemicals and wastes agenda, including production facilities for organic chemicals, petrochemicals, inorganic chemicals and fertilizers, as well as processing and blending facilities, commercial and consumer use systems and disposal and recycling facilities.

24. The effective and cost-efficient involvement of industry requires clarity and coherence in the allocation of mandates and responsibilities between public bodies and industry. Hence there is a need to identify clearly the mandate of public bodies involved in any related activities, at every stage of a chemical's life cycle, and to ensure a clear allocation of responsibilities between national administrations and industry.

25. To make the most of the opportunities presented by industry involvement, engagement of industry at both the national and international levels is required. Although industry involvement is not directly governed through international agreements or financial mechanisms, industry is influenced by standards that are established and promoted globally through multilateral agreements, and their commerce is indirectly governed by standards or obligations established in national legislation. International agreements do therefore influence industry and can spur the mobilization of resources, including from the chemicals and waste industry for the sound management of chemicals and wastes.

26. The allocation of cost needs to be based on what might be considered the common elements of sound chemicals management: provision of information; risk assessment and risk management; safe use; and in certain cases remediation. In promoting effective industry involvement, Governments and public bodies have a key role to play in the supervision and management of activities by adopting legislation, using traditional economic disincentives such as fines, providing general information on chemicals risks and enterprises' responsibilities and enforcing and monitoring compliance.

27. Economic instruments are a set of policy mechanisms that can provide financing for chemicals and wastes management through, in particular, cost recovery. Cost recovery measures seek to shift the hidden public costs of managing chemicals from government budgets to private sources. Cost recovery mechanisms may not cover the full costs of such systems but promote a more appropriate sharing of costs between the public and private sectors.

28. In order to ensure a balanced approach, incentives for industry to assume a leadership role in promoting environment and health standards, such as tax rebates and public-private initiatives, could be developed.

29. To ensure that industry involvement becomes an effective component of meeting the chemicals and wastes targets, the integrated approach proposes a non-exhaustive list of actions for implementation by Governments, industry and other stakeholders, as appropriate:

- (a) Develop legislation and enforce and monitor industry compliance;
- (b) Develop legislation that clearly defines the responsibilities of Governments and industry in order to establish the authority and national ability to control chemicals with the aim of ensuring cost-efficient management efforts to protect human health and the environment;
- (c) Develop cost recovery measures at the national level to fund the administrative process of providing and maintaining systems for governing the marketing of chemicals at the national level, in order to shift the administrative and operational costs of activities from government budgets to producers and importers that benefit from those activities;
- (d) Further incorporate chemicals and wastes considerations into extended corporate responsibilities "downstream", including corporate social responsibility initiatives such as the United Nations Global Compact and triple-bottom-line accounting;
- (e) Enhance private-public relationships and partnerships, including through in-kind contributions and partnerships that support the chemicals and wastes agenda internationally and nationally;
- (f) Promote and undertake voluntary industry and capacity-building initiatives;
- (g) Strengthen the role of industry as a capital investor through the transfer of technology, as appropriate, best practices and expertise, recognizing that technology transfer occurs through established legal structures taking into account intellectual property rights;
- (h) Promote increased resource-efficiency and process optimization through, for instance, best available techniques and green economy initiatives;

(i) Undertake measures and develop incentives to strengthen the role of industry in financing research, development and innovation, co-financing projects and direct financial contributions to relevant funds;

(j) Make use of existing tools and guidance to build legal and national infrastructures for the sound management of chemicals and wastes through cost recovery systems;

(k) Recognize industry activities that internalize the cost of complying with chemicals and wastes regulations and standards and adhering to international good practices and national laws and regulations.

30. Industry involvement through command and control, economic instruments and voluntary agreements will reduce the cost of the sound management of chemicals and wastes along the whole value chain. The main activity expected of industry is to take further measures to internalize costs, in accordance with the polluter pays principle, and to broaden and multiply voluntary agreements on the sound management of chemicals and wastes. Furthermore, financing contributions by industry through dedicated external financing as called for by the integrated approach would be strongly encouraged.

(iii) Dedicated external financing

31. The dedicated external financing component of the integrated approach contains the following three elements:

(a) Institutional strengthening;

(b) An integrated chemicals and wastes focal area under the Global Environment Facility (GEF); and

(c) A special programme fund for chemicals and wastes.

32. Through a revised integrated chemicals and wastes focal area that builds upon the approach taken by GEF in connection with the fifth replenishment of its trust fund, the integrated focal area will fund activities beyond the existing work on the implementation of the Stockholm Convention, the Montreal Protocol on Substances that Deplete the Ozone Layer in countries with economies in transition and pilot interventions on mercury and the sound management of chemicals. The focal area would thus also provide incremental financing to achieve global environmental benefits, within the framework of the Instrument for the Establishment of the Restructured Global Environment Facility. Through the elements under dedicated external financing, new and additional financial resources could secure sustainable, predictable, adequate and accessible financing for the sound management of chemicals and wastes.

(a) Institutional strengthening

33. The objective of institutional strengthening under the integrated approach is to provide the resources necessary to enable recipient countries to establish chemicals and wastes institutional structures (including chemicals and wastes units) and to operate them, or existing structures, in order to meet the challenges that arise in complying with the chemicals- and wastes-related conventions. Institutional strengthening may also be required to enable countries to effectively and efficiently implement the mainstreaming and industry components of the integrated approach.

34. To strengthen the institutions at the national level, where required, the integrated approach proposes to support and strengthen existing national chemicals and wastes structures and efforts to establish such structures in countries where they are not already in place. Such structures could be national chemicals and wastes units or any other relevant national entity as deemed most appropriate. Due to the variation in structures required at the national level the institutional support may take different forms in different countries. The national chemicals and wastes structures should complement and make optimal use of the capacity of regional centres and structures, as appropriate.

35. In providing institutional-strengthening support through dedicated external financing, the integrated approach proposes a non-exhaustive list of five principles on which such support would be based:

(a) Institutional strengthening support should be provided upon request and based on the varying needs and capacities of countries;

(b) External funding should be time-limited and should be supported by commitments from recipient Governments to ensure the sustainability of the institutional structures;

(c) Resources for supporting institutional strengthening should come from both recipient countries and dedicated external financing;

(d) The scope and nature of institutional strengthening should be decided by each recipient country, based on best practices, and periodic renewal of institutional strengthening support for a national chemical and waste institutional structure should be based on performance and effectiveness in compliance with obligations under the chemicals- and wastes-related conventions.

36. The integrated approach proposes that the main functions of the national institutional structures that will receive financial support are:

(a) To promote the mainstreaming of chemicals and wastes, including through coordination with activities carried out under the Strategic Approach, such as the Quick Start Programme;

(b) To promote industry involvement in and support for the development of legislative, regulatory and enforcement capacities and projects, including through cooperation with the Strategic Approach;

(c) To facilitate funding for and coordination of the development of externally financed chemicals and wastes projects, including through securing the commitment of national and private sector stakeholders;

(d) To fulfil reporting requirements under chemicals- and wastes-related conventions and policy frameworks, as appropriate, including the monitoring of performance and impact, and other enabling activities as agreed within the conventions;

(e) To coordinate activities pertaining to preparatory work on, and support the ratification and implementation of, future chemicals- and wastes-related agreements, depending on national circumstances;

(f) To foster collaboration with regional centres and among institutions at the national level, including national ozone units and national GEF focal points.

37. The cost of institutional strengthening will depend upon the needs of countries as well as the number and nature of requests for it, and would be covered through both host country commitments and external funding.⁴

38. External funding for institutional strengthening could be provided through the revised integrated focal area on chemicals and wastes following incremental cost principles and previous practices, as well as through additional co-financing from a special programme fund for chemicals and wastes.

39. Each country receiving institutional strengthening assistance would commit to its national institutional chemicals and wastes structures, including through providing the institutional base (i.e., the chemicals and wastes unit), political mandate, administrative costs and general staffing, as appropriate. The external funding would provide basic operating funds for the institutional structures. The support would be time bound and performance based. It would provide incremental financing for things such as specialized and technical experts on legal frameworks, awareness-raising initiatives, data gathering/monitoring, and the relevant equipment and tools. The support could be provided through existing regional centres.

(b) Integrated chemicals and wastes focal area

40. A revised integrated chemicals and wastes focal area is proposed within GEF, in line with the decision made during the fifth replenishment of the GEF trust fund to widen the scope of the current persistent organic pollutants focal area. The revised integrated focal area is intended to take full advantage of possible increases in GEF funding with the aim of ensuring sustainable, predictable and adequate resources for the chemicals and wastes agenda.

41. It is considered that through the revised GEF focal area new and additional resources could be made available for implementing the full range of eligible activities providing global environmental benefits through the incremental cost approach. It is further envisaged that a distinction could be made, and balance achieved, between resources for activities to implement obligations under conventions with defined financial mechanisms, resources for activities to implement obligations under conventions without defined financial mechanisms and resources for activities to implement voluntary commitments to support the sound management of chemicals and wastes at all stages and in all activities involving chemicals and wastes.

⁴ Based on the experience of the national ozone units under the Montreal Protocol it is estimated that the total global costs may be approximately \$8–\$10 million annually.

42. It is proposed that the revised integrated chemicals and wastes focal area cover the Stockholm Convention and the future mercury convention as well as the Strategic Approach. It is further proposed that the revised integrated focal area cover the Basel and Rotterdam conventions, which currently do not have financial mechanisms, if so decided by their respective governing bodies. The revised integrated focal area could be developed in a sufficiently flexible manner to enable it also to cover other future legally binding instruments and international policy frameworks. Funding for activities under the Stockholm Convention would not be jeopardized by bringing other chemicals and wastes-related activities into the same focal area and could be used as a baseline for the revised integrated chemicals and wastes focal area with the aim of securing new and additional resources for the chemicals and wastes cluster.

43. The revised integrated focal area would build on existing beneficial GEF procedures, mechanisms and processes. Thus it would:

- (a) Utilize the existing flexible GEF programming approach through the use of synergies in programming;
- (b) Effectively engage in the replenishment process in the context of the technical advisory group or similar body that drafts GEF focal area strategies;
- (c) Benefit from the GEF policy framework approach and cross-cutting strategies, including “chemical-proofing” of projects, and thus promote mainstreaming of chemicals management issues into other focal areas;
- (d) Apply the concept of incrementality;⁵
- (e) Benefit from the application of co-financing for projects, in accordance with the incremental cost principle, to support a wide range of donor involvement and to leverage additional financing from all sources, including industry, for chemicals and wastes management;
- (f) Support a project-by-project approach combined with a programmatic modality approach;
- (g) Benefit from existing administrative and institutional processes already in place that respond efficiently and effectively to recipient country needs and country ownership and use existing GEF evaluation processes to assess the effectiveness of the results of funding against priorities;
- (h) Enjoy access to the GEF Scientific and Technical Advisory Panel and a large global network of scientists that enable innovation, scientific credibility and harmonization of best practices and technologies in GEF projects.

44. In addition, it is proposed that the revised integrated focal area consider the following propositions as guidance on the development of new and innovative principles:

- (a) The programming of GEF resources at the time of replenishment discussions should take into account and allocate resources to specific conventions and international policy frameworks through a careful design of the focal area’s strategic objectives and results-based management framework, as well as through consultation with the relevant conventions and international frameworks;
- (b) GEF responsiveness to convention guidance, in addition to the replenishment process, should be enhanced through a regular consultative process (e.g., a consultative committee) that would bring together the presidents of the bureaux of the chemicals- and wastes-related conventions, the President of the International Conference on Chemicals Management and the implementing agencies to review programming trends and convention guidance and their relationship to compliance by parties with the chemicals- and wastes-related conventions. The results of this consultative process, further to additional inputs and advice from the GEF CEO and Chairperson, would be conveyed to the GEF Council every six months for its consideration through the regular agenda items of the Council;
- (c) Project review and approval processes should be streamlined to improve the timeliness and ease of access of project preparation, taking into account the needs of small countries;⁶
- (d) Review and updating of the GEF co-financing policy should take into account the needs of small countries and the incremental nature of projects.

⁵ The GEF Council should further deliberate on the incremental reasoning for the new focal area.

⁶ The GEF secretariat and GEF agencies have proposed preliminary steps for streamlining project approval processes, and more streamlining measures are expected in the near future.

45. The revised integrated focal area and proposed changes such as these will require approval and/or endorsement by the GEF Council and the GEF Assembly, as necessary and if required.

(c) Special programme fund on chemicals and wastes

46. The third element of dedicated external financing is consideration of a special programme fund on chemicals and wastes that could be established to support activities that were not incremental or were not otherwise funded through the focal area approach and other funding sources, including national sources. In addition, such a special programme fund could be used as one of the arrangements for funding the elements discussed above under institutional strengthening.

47. The special programme fund on chemicals and wastes, which would benefit from voluntary contributions, could be established within any entity, keeping in mind the need to minimize administrative costs while maximizing the accessibility and allocation of funds and ensuring that the mechanism for the governance of the special programme fund best responds to the needs of the parties to the relevant conventions and their respective conferences of the parties and the governing bodies of the relevant international policy frameworks, such as the International Conference on Chemicals Management.

48. The exact scope and size of the fund, and the manner in which it complemented the revised integrated GEF focal area, would be determined taking into consideration the incremental nature of the GEF focal area.

D. Implementing the integrated approach

49. In order to ensure that the integrated approach has the intended impact at all levels, it is preferable that the three components be implemented in a complementary and simultaneous manner by national Governments, international development organizations and agencies, GEF, international financial institutions, bilateral development agencies and industry at the national and international levels.

50. Implementation of the integrated approach would have effects at multiple levels and would require that dedicated and concerted efforts be taken through, but not limited to, the following:

(a) Decisions of the UNEP Governing Council, the conferences of the parties to the chemicals- and wastes-related conventions and the International Conference on Chemicals Management to support efforts at the national level to further enhance efforts on mainstreaming and industry involvement for the sound management of chemicals and wastes;

(b) Requests to other international development organizations and agencies such as the Food and Agriculture Organization of the United Nations, the United Nations Development Programme, the United Nations Industrial Development Organization and the World Health Organization and international financial institutions such as the World Bank and regional development banks that they strengthen their efforts to support Governments in implementing elements of the non-exhaustive lists on mainstreaming and industry involvement set out in the integrated approach;

(c) Sustainable and predictable funding provided both by donor and recipient countries for the implementation of the elements of institutional strengthening set out in the integrated approach;

(d) Establishment by the GEF Council and the GEF Assembly of a revised integrated focal area on chemicals and wastes, including the proposed characteristics of the focal area, with new and additional resources being provided through the replenishment process.

51. To measure the effectiveness of the integrated approach to financing the sound management of chemicals and wastes, it is proposed that an overall evaluation of the integrated approach be undertaken by UNEP after an agreed number of years following its adoption by the Governing Council. The evaluation would be undertaken in collaboration with GEF and in conjunction with a GEF overall performance study and would be aimed at assessing the effectiveness of each of the three components of the integrated approach and the linkages and synergies between them. The evaluation would be based on guidance from the UNEP Governing Council, the conferences of the parties to the chemicals- and wastes-related conventions and the International Conference on Chemicals Management, as appropriate. As a result, refinements and adjustments would be proposed or other alternative solutions adopted.

E. Timeline for next steps

52. The following is a timeline showing steps to be taken to implement the proposed integrated approach to financing the sound management of chemicals and wastes:

(a) Twenty-seventh session of the UNEP Governing Council/Global Ministerial Environment Forum:

- (i) Call for action through a decision on an integrated approach to financing chemicals and wastes as presented in section IV of the present report;
- (ii) Request to Governments to take concerted steps to implement the integrated approach, based on guidance from the UNEP Executive Director if so requested;
- (iii) Invitation to the GEF Council and GEF Assembly to revise the focal area on chemicals and wastes, as appropriate, and to provide new and additional resources for the revised focal area as well as for institutional strengthening;
- (iv) Invitation to Governments to consider establishing, through an appropriate entity, a special programme fund on chemicals and wastes;
- (v) Invitation to the conferences of the parties to the Basel, Rotterdam and Stockholm conventions to consider the integrated approach and to develop the operational details needed to implement the integrated approach, as appropriate;
- (vi) Invitation to the International Conference on Chemicals Management to operationalize and implement the integrated approach;
- (vii) Invitation to the Strategic Approach secretariat to implement the integrated approach immediately based on the financing decisions adopted by the International Conference on Chemicals Management at its third session;
- (viii) Invitation to international development agencies, international and regional financial institutions and other relevant stakeholders to take steps to implement the integrated approach;

(b) Meetings of the conferences of the parties to the chemicals- and wastes-related conventions:

- (i) Consideration of the integrated approach and decisions calling for action, as appropriate, on integrated approach as a means of financing activities under the conventions;
- (ii) Invitation to the parties to implement the integrated approach within their Governments and with industry and to call for support for the sound management of chemicals and wastes in their dealings with multilateral financial institutions;
- (iii) Decisions mandating the conduct of needs assessments at the national level, subject to the revision of the integrated focal area on chemicals and wastes;

(c) Forty-fourth meeting of the GEF Council:

- (i) Revision of the focal area on chemicals and wastes for inclusion in the sixth replenishment and recommendation to the GEF Assembly in early 2014 that it approve any necessary changes to the GEF Instrument;
- (ii) Invitation to the chemicals- and wastes-related conventions to prepare needs assessments, as appropriate, as inputs for the sixth replenishment negotiations and consideration of the priorities and activities identified in the Strategic Approach relevant to the achievement of Strategic Approach objectives;

(d) Fourth session of the International Conference on Chemicals Management:

- (i) Call for action on the integrated approach and expression of support for its implementation, in particular in respect of mainstreaming and industry involvement;
- (ii) Request to the Strategic Approach secretariat that it fully implement the integrated approach based on financing decisions adopted by the International Conference on Chemicals Management at its third session;
- (iii) Request to participants in sessions of the International Conference on Chemicals Management and Strategic Approach stakeholders that they take concerted steps to implement the integrated approach and report to the Conference at its fifth session on the steps taken and their impact.