

Strengthening Financial Resource Mobilisation for the Sound Management of Chemicals

Observations and Conclusions of an International
Expert Meeting

Geneva, Switzerland

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Final Report



IOMC

INTER-ORGANIZATION PROGRAMME FOR THE SOUND MANAGEMENT OF CHEMICALS

A cooperative agreement among UNEP, ILO, FAO, WHO, UNIDO, UNITAR and OECD

About the Series of Thematic Workshops on Priority Topics of National Chemicals Management Capacity Building...

The Thematic Workshop on Financial Resource Mobilisation for the Sound Management of Chemicals is the seventh in a series of workshops addressing priority issues of national chemicals management as identified by countries in the context of National Profile preparation and priority-setting. Workshop topics address recommendations included in Chapter 19 of Agenda 21 as adopted by the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992, that were subsequently agreed upon as a basis for action in 1994 at the first session of the Intergovernmental Forum on Chemical Safety (IFCS) and more recently confirmed in the priorities adopted by the Forum at its third session in October 2000 in Salvador, Brazil.

The workshops, which are organised through the collaboration of interested countries, international organisations, and non-governmental organisations, are meant to generate practical suggestions to assist countries in developing their national strategy for the respective topic(s). Past workshops dealt with chemical information systems and information exchange (September 1998), education and awareness raising (October 1998), chemical legislation and policies (June 1999), risk management decision-making for priority chemicals (October 1999), strengthening national capacities for chemical analysis and monitoring (November 2001), and strengthening inter-ministerial coordination (August 2002).

All topics addressed through the workshop series call for, and may benefit from, coordinated and integrated approaches at the national level involving a range of ministries and other concerned parties.

The reports of the workshops are meant to serve as practical inputs to country-based initiatives in the respective areas and may also highlight certain issues which may require further attention at the international level.¹

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Executive Summary

The thematic workshop on *Financial Resource Mobilisation for the Sound Management of Chemicals*, the seventh in a Series of Thematic Workshops on Priority Topics of National Chemicals Management Capacity Building, was held at International Environment House, Geneva, Switzerland, from 19-22 November 2002. Jointly organised by the United Nations Institute for Training and Research (UNITAR) and the Secretariat of the Organization for the Prohibition of Chemical Weapons (OPCW), it brought together some 33 representatives from 16 developing countries, countries with economies in transition and countries with advanced chemicals management capabilities, 8 international organisations, and donors including multilateral, bilateral and other organisations.

The experiences of workshop participants in *Financial Resource Mobilisation for the Sound Management of Chemicals* were examined and mechanisms for international cooperation for financial resource mobilisation in the field of chemicals management were presented for consideration and action.

Mechanisms for both ensuring stable *internal* financing of sound chemicals management in countries as well as effective generation of *external* funding were examined in two working groups.

The workshop drew a number of conclusions and recommendations as follows:

Each recipient country should:

- identify the means to raise awareness at the highest levels in order to ensure that chemicals management issues, as a basic pillar of the larger issues of health and environmental protection, are given appropriate priority, including in national sustainable development strategies;
- take advantage of existing subject-specific opportunities in the chemicals management field (such as those provided under the Stockholm Convention on Persistent Organic Pollutants) to ensure that, at the national level, the foundations of chemicals management programmes are strengthened in an integrated manner;
- identify opportunities to link chemicals management with other existing projects in support of sustainable development, including poverty alleviation (e.g. its possible incorporation, where appropriate, in a Poverty Reduction Strategy Paper developed through a recognised process);
- ensure that the optimum infrastructure is in place at the national level for sound chemicals management, including enabling legislation, coordinated implementation and communications infrastructure, all of which should work within a multi-stakeholder context;
- ensure appropriate coordination of both internal and external efforts aimed at financial resource mobilisation, promoting the identification of stakeholders to implement specific chemicals-related projects as well as partnerships, particularly where related projects could provide synergies;

- ensure that relevant individual departments at the national state/provincial and local levels have regular budgetary resources dedicated to the sound management of chemicals, and where appropriate, establishing legislative and other links to ongoing long-term government resource commitments, such as permanent budget lines of Ministries of Finance, Economics and Planning;
- encourage all stakeholders involved in chemicals management issues to accurately budget for related activities so as to reduce possible hindrances to financial resource mobilisation;
- enforce obligatory investments by corporate bodies to ensure best practices for the sound management of chemicals, taking into account the precautionary principle;
- in order to promote financial resource mobilisation for the sound management of chemicals in the private sector, institutionalise economic incentives, such as:
 - tax exemptions or reduced tax loads, higher depreciation rates, tax holidays;
 - promoting cleaner production including environmentally-friendly power generation;
 - rebates/incentives (including introduction of alternative products and processes that promote the sound management of chemicals); and
 - access to cheaper credits (lower interest rates) for safe, soundly-managed facilities;
- ensure that a sound project planning approach, including the setting of priorities, goals, objectives and identification of options within a transparent multi-stakeholder context is undertaken; and
- promote good governance both at the public and private level.

With respect to donors:

- further coordination in relation to specific funding for the sound management of chemicals in countries and related sustainable development projects should be encouraged;
- certain current policies, which may restrict funding for the sound management of chemicals (e.g. for technical infrastructure) should be reviewed with a view to overcoming such challenges;
- consideration should be given to further support for the participation of appropriate experts from developing countries and countries with economies in transition in international meetings and congresses concerned with the sound management of chemicals, particularly where the recipient countries may benefit and where appropriate geographical balance may be enhanced; and
- consideration could be given to the establishment of an international trust fund, to which the chemical industry in developed countries could contribute on an agreed *pro-rata* basis. The assets from this fund could be used not only for awareness-raising, infrastructure building and training, but also to assist recipient countries in raising matching internal funds.

At the international level:

- the Information Network on Capacity Building for the Sound Management of Chemicals (INFOCAP) mechanism should be made operational as soon as possible. Recipients, donors and other key participants, especially through their designated Points of Contact, are encouraged to regularly contribute and update information for INFOCAP and should ensure that the mechanism be given wide publicity; and
- a UNITAR/IOMC Guidance Document on *Financial Resource Mobilisation* should be developed and widely disseminated.

In summary, participants concluded that the workshop provided a valuable opportunity to reflect on experiences, and to discuss essential issues in the area of financial resource mobilisation. UNITAR and OPCW were encouraged to widely distribute the report of the workshop, both electronically and on paper, to all interested parties.²

² Electronic copies of this report are available on the UNITAR website at www.unitar.org/cwm and the OPCW website at www.opcw.org

1. Introduction

The thematic workshop on *Financial Resource Mobilisation for the Sound Management of Chemicals* was the seventh in a Series of Thematic Workshops on Priority Topics of National Chemicals Management Capacity Building. It took place in Geneva, Switzerland, from 19-22 November 2002 and was jointly organised by the United Nations Institute for Training and Research (UNITAR) and the Secretariat of the Organisation for the Prohibition of Chemical Weapons (OPCW). The event brought together some 33 participants from 16 developing countries, countries with economies in transition and countries with advanced chemicals management capabilities, international organisations and donors (including multilateral, bilateral and other organisations).

Workshop topics addressed recommendations included in Chapter 19 of Agenda 21³ which were agreed upon as a basis for action in 1994 at the first session of the Intergovernmental Forum on Chemical Safety (IFCS) and recently confirmed in the priorities adopted by the Forum at its third session in October 2000 in Salvador, Brazil. This workshop also contributed to the implementation of Article XI of the Chemicals Weapons Convention (CWC) dealing with the improvement of the capacity of the States Parties to implement the provisions of the CWC and, more generally, the economic and technological development of States party to the CWC.

1.1 Background

Mobilising financial resources is a basic requirement towards achieving the sound management of chemicals.

Strengthening national capacities and capabilities to mobilise financial resources is a basic requirement towards achieving the sound management of chemicals. Each country has a different system for allocating resources, faces different challenges and selects different solutions. Inevitably, support for chemicals-related issues must be set in the context of many other competing and compelling priorities. Partly in response to this situation, planning for financial resource mobilisation has increasingly extended beyond an individual, project-based approach. Countries that take a systematic, coordinated approach to financial resource mobilisation for sound chemicals management may have a greater comparative advantage to countries that do not.

Developing countries and countries with economies in transition have, on numerous occasions, confirmed that outside assistance would be needed to supplement the limited internal resources available to effectively improve the management of chemicals. At the international level, there are many ongoing activities to assist countries to enhance their capacity to manage chemicals safely. Multilateral and regional

³ Adopted by the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992.

At the international level, there are many ongoing activities to assist countries to enhance their capacity to manage chemicals safely.

technical co-operation agencies and programmes including OPCW, Gulf Corporation Council (GCC), Inter-Organisation Programme for the Sound Management of Chemicals (IOMC) and its Participating Organisations and also multilateral and regional development banks (e.g. World Bank, Asian Development Bank, Inter-American Development Bank, International Bank for Reconstruction and Development) are just some of the bodies that have supported both short-term small projects as well as long-term technical assistance programmes through the provision of loans and grants.

Developed countries have also recognised their responsibilities to assist developing countries and countries with economies in transition to promote sound chemicals management. Bilateral development cooperation agencies frequently undertake significant longer-term technical assistance for countries to strengthen national, technical and administrative infrastructure (including training staff), thereby increasing the effectiveness of domestic chemicals-related activities and the application of international agreements and treaties.⁴

This workshop was organised in response to demand from countries for strategic guidance in this area. Guidance and resource materials⁵ on financial resource mobilisation have been developed in relation to a three-country UNITAR/IOMC Programme, *Developing and Sustaining an Integrated National Programme for the Sound Management of Chemicals*. Three project countries, Ecuador, Senegal and Sri Lanka, currently testing this guidance were invited to the workshop to share their experiences and lessons learned.

1.2 Workshop Objectives

Objective was to develop and test ideas for innovative approaches to financial resource mobilisation for the sound management of chemicals.

The main objective of the workshop was to develop and test ideas for innovative approaches to financial resource mobilisation for the sound management of chemicals, consistent with national circumstances and priorities. Current experience, existing guidance and other resources were discussed. Gaps and weaknesses were identified and solutions suggested.

Key questions addressed by workshop participants included, *inter alia*:

- Is a strategy development approach a useful tool to assist countries? What alternative/complementary training, guidance and other assistance for countries can be suggested?

⁴ However, it should be borne in mind capacity building projects may not focus exclusively on chemical issues, but rather typically fall under country programmes for industrial development, environment and natural resource protection, agriculture, health, or other development related topics.

⁵ For example, *Financial Resource Mobilisation for the Sound Management of Chemicals*. UNITAR Guidance Note. Working Draft, July 2001 and *Fact Sheets on Bilateral Assistance for Chemicals Management*. First Edition, May 2001. UNITAR/IOMC.

- What role(s) can international conventions in the chemicals field play to assist countries in this area?
- What non-governmental sources of financial support exist? Can (or should) countries explore these options as well?
- Are there success stories that can be shared?
- Can relevant lessons be learned from outside the field of sound chemicals management?
- Do relevant INFOCAP services fill a demand from countries? Can improvements be suggested?

1.3 Introductory Presentations

Importance of systematic planning and widely-supported implementation in attracting resources for chemicals management projects was noted.

Mr. Craig Boljkovac, Deputy Programme Coordinator, Chemicals and Waste Management Programme, UNITAR, welcomed participants to the workshop and acknowledged the contributions of the OPCW as well as the Swiss Agency for Development and Cooperation (SDC) and the German Technical Cooperation (GTZ). The importance of systematic planning and widely-supported implementation in attracting resources for chemicals management projects was noted. He stressed the importance of the insights and experiences from convention secretariats, non-governmental organisations (NGOs), developed countries, countries with economies in transition and developing countries into how they approach the issue of financial resource mobilisation. He also expressed his enthusiasm for the insights that would be provided by the three countries involved in the UNITAR/IOMC pilot programme on integrated chemicals management.

Donors and recipient countries should work in the same direction, as two sides of the same coin.

Mr. Bijoy Chatterjee, Head of the International Cooperation Branch, OPCW, highlighted the international participation at the workshop and stressed the workshop's importance under the CWC. He noted that OPCW's international cooperation initiatives are based on the need for developing an integrated approach to national capacity building in the area of sound chemicals management. OPCW and UNITAR have been working in close cooperation towards the development of this concept.

Dr. Matthias Kern, Pilot Project on Chemical Safety, GTZ, emphasised the view that donors and recipient countries should work in the same direction, as two sides of the same coin, focusing on finding a common language with the purpose of reaching technical, political and administrative issues in chemical safety.

Dr. Peter Müller, consultant, Swiss Agency for the Environment, Forests, and Landscape (SAEFL), welcomed all the participants on

behalf of the Swiss government. He noted humorously that Geneva, the site of the workshop, is a symbol of risk management and peace and therefore wished the group a workshop conducted with peace and success.

Importance of developing a clear national chemicals management policy and of communicating this policy to external donors was stressed.

The introductory presentation on the workshop topic, objectives and methodology was given by **Dr. John Haines**, Senior Special Fellow, UNITAR. The objective of the workshop was “to develop and test ideas for innovative approaches to financial resource mobilisation for the sound management of chemicals, consistent with national circumstances and priorities”. The workshop would therefore examine existing guidance as well as structures and tools for financing, reflect on experiences, identify gaps and weaknesses and lessons learned, and propose new approaches to funding including innovative tools and mechanisms with opportunities and constraints. Based on prior experience, it had been learned, for example, that the lack of recycling revenues from chemical safety-related legal procedures, insufficiency in experience with sanctions and incentives to foster cooperation with industry, and lack of a central coordinating body to facilitate information exchange have affected financial resource mobilisation in various countries. Further there was a lack of knowledge in countries on procedures to obtain external financial assistance. The importance of developing a clear national chemicals management policy and of communicating this policy to external donors (such as bilateral aid organisations or multilateral and regional technical cooperating agencies) was also stressed. Indeed, financing mechanisms are part of some of the multilateral Summit Agreements related to chemicals and the importance of cooperative resource mobilisation is recognised as well as promoting synergies regarding the implementation of such agreements. In closing, the schedule of presentations and other activities to be completed at the workshop were summarised.

1.4 Overview of Workshop Sessions

Following the opening and introductory presentations, the first two parts of the workshop, moderated by Mr. Bijoy Chatterjee (OPCW) and Mr. Craig Boljkovac (UNITAR) respectively, Sessions 1 to 7, featured a series of panel presentations and discussions which provided an opportunity for participants to better understand the situations and challenges in developing countries and countries with economies in transition, and to hear a range of views about financial resource mobilisation from the perspective of international organisations, convention secretariats and countries with advanced chemicals management capabilities (see Annex 2 for the Workshop Agenda).⁶

During Session 1, entitled *Situations and Challenges in Developing*

⁶ These presentations are outlined in more detail in Section 2 through 4 of this report. Copies of presentations can be obtained from UNITAR upon request.

A series of panel presentations and discussions provided an opportunity for participants to better understand the situations and challenges in developing countries and countries with economies in transition.

Countries, representatives from Argentina, Ecuador, India, Iran, Senegal and Sri Lanka gave brief presentations which highlighted the current situation in their countries with regard to financial resource mobilisation. Emphasis was placed on examples of successful approaches, practical problems faced, and issues that are particularly challenging.

Similarly, during Session 2, *Situations and Challenges in Countries with Economies in Transition*, representatives from the Slovak Republic, Slovenia and Kazakhstan made presentations highlighting the current situation in their countries concerning financial resource mobilisation.

In Session 3, entitled *Perspectives and Experiences of Countries with Advanced Chemicals Management Capabilities*, representatives from Germany and Switzerland gave brief presentations sharing their experiences gained over the past years regarding financial resource mobilisation. Emphasis was given to approaches that have worked well and/or which have been difficult to implement. Lessons learned, which might be of particular relevance to developing countries and countries with economies in transition, were also highlighted.

Session 4, *General Discussion of Presentation and Experiences of Participants*, provided an excellent opportunity for a broader discussion in plenary of country experience with financial resource mobilisation, particularly regarding the issues and difficulties in ensuring resource stability for the sound management of chemicals.

In Session 5, entitled *Experiences of Countries that provide Development Assistance*, representatives of bilateral development assistance agencies and agencies in developed countries involved in providing financial resources for specific chemical safety activities in developing countries and countries with economies in transition, such as GTZ (Germany), KemI (Sweden) and the Swiss Agency for Development and Cooperation, shared their experience and views regarding useful approaches as well as difficulties. There was a general discussion of the issues facing bilateral cooperation in relation to financial resource mobilisation for the sound management of chemicals.

In Session 6, *Perspectives and Experiences of NGOs, IGO, and Convention Secretariats*, representatives of the OPCW, the International POPs Elimination Network (IPEN) and UNEP Chemicals, shared their experience and views related to generating financial resources for sound chemicals management in developing countries and countries with economies in transition, particularly with regard to specific objectives such as implementing a multilateral agreement or establishing a chemical safety activity such as a chemical emergency response programme. At the end of the Session, a plenary discussion

followed concerning specific issues facing multilateral development assistance in relation to promoting the sound management of chemicals in different countries.

In Session 7, entitled *Non-financial Assistance for Financial Resource Mobilisation*, a representative of the Intergovernmental Forum on Chemical Safety (IFCS) – a non-institutional arrangement for governments to meet with inter-governmental and non-governmental organisation – presented their experience with promoting financial resource mobilisation for the sound management of chemicals including the development of INFOCAP, an information capacity building network for capacity building. A demonstration of INFOCAP was also provided by UNITAR. A general discussion followed on various issues and problems involved in implementing non-financial assistance for promoting financial resource mobilisation.

1.5 Thematic Discussions and Working Groups

One working group was directed to focus on external resource mobilisation and listed various external sources of resources.

In the third part of the workshop, introduced by Dr. Haines (UNITAR), two working groups were formed to further discuss challenges and opportunities raised in the presentations delivered by the participants. The first group was responsible for addressing problems related to internal resource mobilisation and reviewed possible approaches to fund raising and saving for specific types of activities at different levels (community, city, province, state) in a country, looking at pros and cons and barriers to implementation. The second group was directed to focus on external resource mobilisation and listed various external sources of resources, examining the constraints to effective use of external finance. The findings of each group were then shared and considered in a plenary session jointly moderated by Dr. Haines and Mr. Chatterjee on the final day.

1.6 Review of Workshop Conclusions and Recommendations

A series of practical suggestions and recommendations directed towards both recipients and donors were adopted.

Conclusions and recommendations were proposed in the first part of the workshop, moderated jointly by Mr. Boljkovac and Mr. Chatterjee. A number of general observations were made concerning issues considered crucial to developing sound infrastructure for chemical management as an effective basis for financial resource mobilisation. Based on the findings of the workshop specific observations were made on finance resource mobilisation and approaches to generating internal and external resources. A series of practical suggestions and recommendations directed towards both recipients and donors were adopted. The value of developing more specific guidelines on financial resource management was recognised. At the closing session concluding remarks were given by Mr. Chatterjee on behalf of OPCW and Mr. Boljkovac on behalf of UNITAR.

2. Summary of the Existing Situations and Challenges in Selected Developing Countries and Countries with Economies in Transition

This section of the report provides more detail regarding the existing situations and challenges in developing countries and countries with economies in transition concerning financial resource mobilisation for the sound management of chemicals, based on the presentations at the workshop.

Argentina has not been able to finance a number of activities, including attendance at meetings on international conventions to which Argentina is party.

The financial crisis faced by Argentina has placed severe restrictions on public spending and thus increased the dependence of chemicals management programmes on external resources, according to Mr. Miguel Hildmann of **Argentina's** Ministry of Foreign Affairs. Due to the limited amount of international aid as well as the restrictions placed on the use of these funds, Argentina has not been able to finance a number of activities, including attendance at meetings on international conventions to which Argentina is party. A review was made of a number of chemicals related international activities and conventions in which Argentina participates where financial assistance is required. Examples of activities supported by a bilateral donor (GTZ) were given. Mention was also made of other assistance needs, including support for general institution strengthening.

Responsible for security aspects of chemicals management at the Argentine Foreign Ministry, Mr. Pedro von Eyken drew attention to the omnipresent threat posed by chemicals in the hands of terrorists as well as through routine activities such as the transport of dangerous substances (e.g. chemicals accidents and safe used chemicals in industrials activities). The Argentine government has implemented programmes intended to ensure industrial safety, minimise chemical risks, respond to chemical exposure emergencies, and implement measures against chemical weapons being employed by terrorists. Various ministries cooperate amongst themselves and with different institutions, agencies, laboratories and private associations. The finances for these activities have been raised from external sources, government income, voluntary contributions from industry, and sales of services as in the case of the Centre of Research and Development in Chemistry and Petrochemicals (CEQUIPE) and Information Centre for Chemical Emergencies (CIQUIME).

Inadequate planning was considered as a fundamental problem limiting mobilisation of internal and external resources.

Ms. Irma Suarez of **Ecuador's** Ministry of the Environment shared the experience gathered by Ecuador through its activities in the pilot UNITAR/IOMC National Profiles programme and the importance given to having an action plan for management of chemicals. Inadequate planning was considered as a fundamental problem limiting mobilisation of internal and external resources. The lack of trained human resources in addition to the shortfalls in planning were mentioned as major barriers to an adequate response to national needs,

successful implementation of various chemicals management activities, and attraction of further support from donors. To combat these problems, a threefold action plan was proposed, namely: identifying and developing mechanisms to promote the coordinated generation of resources by institutions for the efficient application of laws, regulations and norms; training of national technical staff in the sound formulation and management of projects that mobilise resources; and strengthening education programmes focused on chemicals, which would increase awareness amongst the public and politicians as to chemical risks and the need for resources and effective action to manage these risks and protect human health and the environment.

Senegal discussed chemicals-related activities with relation to the UNITAR/IOMC/ Government of Senegal programme on *Developing and Sustaining an Integrated National Programme for the Sound Management of Chemicals*.

Representing the Direction of Environment and Classified Establishments, Mr. Ousmane Sow discussed chemicals-related activities pursued in **Senegal**, in particular with relation to the UNITAR/IOMC/Government of Senegal programme on *Developing and Sustaining an Integrated National Programme for the Sound Management of Chemicals*. Activities mentioned included the creation of a working group on financial resource mobilisation to review the place and importance of chemical safety, to assess the need for resources related to chemicals management, to evaluate the resource allocation procedures within the Senegalese Government and to identify possible sources of multilateral and bilateral aid. The modalities of financing were also discussed. Seven points of a finance resource mobilisation strategy for sound management of chemicals in Senegal were presented namely:

- the effective implementation of legal arrangements (e.g. laws, decrees, standards) as well as ratification of various international environmental conventions;
- the evaluation of resource requirements for priority actions, particularly the establishment of a poisons centre and the adoption of the GHS of classification and labelling of chemicals[?];
- the creation of a convenient natural framework for mobilisation of internal and external resources, including the adoption of registered credits in the budget;
- the incorporation of the adopted priority action plans for the sound management of chemicals into the national government budget;
- the review of budget preparation procedures, both within ministries and with the Ministry of Finance, as well as the parliamentary approval process;
- the identification of appropriate bilateral and multilateral cooperation organisations and the frameworks for potential resource assistance to chemicals management programmes; and
- the identification of other opportunities for financial assistance, including the private sector, notably chemical industries, local communities, and convention secretariats.

Note was taken of these latter opportunities, such as levies on industries, not yet exploited.

Iran's main problems in pursuing its chemicals management programme are its lack of infrastructure, language barriers and insufficient information on sources of financial aid.

The main problems faced by Iran in pursuing its chemicals management programme, as described by Mr. Rashid Bayat Mokhtari of **Iran's** Ministry of Foreign Affairs, are its lack of infrastructure, language barriers and insufficient information on sources of financial aid. Attention was drawn to the multiplicity of procedures to which recipient countries must conform in order to obtain financial aid, since most donor organisations impose a set of rules unique to their respective programmes and require requests for aid to be submitted in a specific language(s). Also noted was the problem of identifying external donor resources scattered within many different institutions. As a result, it was suggested that recipients often spend unreasonable amounts of time learning and following these procedures. Further, with regard to internal financial resource mobilisation, the shortage of funds allocated to chemicals management within the budgets of the multitude of national organisations operating in this field, as well as the financial weakness of the chemical industry, present significant stumbling blocks. In order to overcome the difficulties faced by Iran and other countries concerning external financial resource mobilisation, Mr. Mokhtari suggested that international organisations offer support to countries regarding language difficulties when drafting project proposals and that a central body should be created to manage international aid. Further, he suggested stronger support of the private sector in the developed world for chemicals management globally.

Mr. K. G. D. Bandaratilake of **Sri Lanka** gave a summary of the progress achieved and the difficulties faced by his organisation, the Sri Lankan Central Environmental Authority. In spite of its poor financial situation, the Agency would soon complete its final Action Plans as part of the UNITAR/IOMC programme on integrated chemicals management including activities focussed on strengthening inter-ministerial coordination and finance resource mobilisation.

India highlighted the ability of courts to enforce good management practices and the use of the "polluter pays" principle.

Mr. Subba Rao Madarametla, the Additional Director of the Indian Ministry of Environment and Forests, provided an overview of the legal framework present in **India** to regulate chemicals throughout their lifecycle. He highlighted, in particular, the ability of courts to enforce good management practices and the use of the "polluter pays" principle.

Developing its fledgling chemicals management system, **Slovenia's** Environmental Ministry has accumulated a large amount of experience, which was summarised by Ms. Darja Bostjancic. Initially, the Environmental Ministry did not possess the information, experience, infrastructure, or human resources necessary to properly manage chemicals issues. The vital first step taken to overcome these obstacles was the formulation of clear long-term objectives, with provisional plans, documenting the activities to be pursued and the resources necessary to achieve the established goals. Following this process, it was recommended that responsible parties be identified and cooperation mechanisms between these parties established. Where the resources of these initially identified parties are insufficient, other parties that can

Coordination could be facilitated through the sharing of information, allocation of a catalysing, intersectoral budget, formation of an intersectoral committee, and involvement of external partners.

provide financial assistance should also be involved in the coordinated process. Additional resources could also be activated through the demonstrative effect of even small capital investments, for instance through donations. Further internal resources could also be mobilised by putting pressure on politicians to fulfil national commitments regarding international agreements. Financial resources also included expertise, equipment, documentation and mentorship. Experiences concerning resource mobilisation were outlined: within an industrial sector; between sectors "vertical" and "horizontal"; wider national cooperation; in the context of bilateral and multilateral cooperation; and international projects. Ms. Bostjancic suggested coordination could be facilitated through the sharing of information, allocation of a catalysing, intersectoral budget, formation of an intersectoral committee, and involvement of external partners. She stressed the importance of seeking partners rather than merely donors and maintaining a relationship with these partners. To this effect, she emphasised the need to take into account the interests of every partner and to communicate and adhere to initially defined goals. A vision for the future was also provided, citing several potential means for mobilising resources including industry involvement, networking between local and regional sources, linking of chemicals issues with other issues on a national level, non-financial support from volunteers, and the establishment of foundations. Finally, all countries were urged to start with small steps, to keep an eye on the overall vision, and to advertise their results and share their experiences with others to create a chain reaction.

Local sponsors assist in the operation of the Centre by providing non-financial support, such as publication of brochures and posters and educational and awareness programmes in the media.

The Republican Toxicological Centre, represented by Dr. Yelzhan Birtanov, was the first poison control centre set up in **Kazakhstan**. Amongst several institutions operating in the field of chemical safety, the Centre offers treatment and diagnostic facilities, poison prevention programmes and professional education in toxicology; collects and analyses toxicological and poisoning data; acts as a poison information centre; and ensures preparedness for chemical emergencies. In its capacity as a treatment and diagnostic facility, the Centre must deal with a rising number of patients hospitalised as a result of exposure to a multitude of chemicals, including industrial and household chemicals, pharmaceutical agents, illegal drugs and substances of abuse. The Centre's work is made more difficult by the absence of laws and a strategy for the promotion of chemical safety, a decentralised chemicals management system, insufficient internal financial support, and lacking national experience and information on chemical safety. Internal financial support is provided by such institutions as the Almaty City Mayor's Office, the Ministry of Health and the Ministry of Sciences as well as regional health authorities and local sponsors. Local sponsors also assist in the operation of the Centre by providing non-financial support, such as publication of brochures and posters and educational and awareness programmes in the media (e.g. radio and television). The Centre has also been successful in mobilising external support from bilateral donors and international foundations as well as international corporations operating in Kazakhstan. This success originates in the

operative strategy pursued by the Centre, which includes an analysis of the situation, identification of the problem, planning of the project and calculation of the costs, analysis of possible financial resources, application for finances and support, and reporting on activities and results.

Slovakia also described a bilateral cooperative programme with the Netherlands.

Ms. Monika Kissova of the Waste and Environmental Management Centre (WEMC) of the **Slovak Republic's** Environmental Agency (SEA) gave a brief introduction to the nature of her agency as well as a summary of selected activities pursued on an international and national level. The WEMC acts, for example, as a focal point of the Basel Convention and its Centre for the Central and Eastern European Region, and cooperates with several bilateral and multilateral institutions to enhance its chemicals management capacities. At the national level, the WEMC acts as a department of chemical safety, hazardous waste information centre, centre for partial waste monitoring, reference laboratory, and information and consulting centre for chemicals assessment and labelling, in addition to administering the Regional Waste Information System. The WEMC is also in the forefront of the equilibration of the effort to ensure conformity of the Slovak chemicals waste management system with the European Union standards. Ms. Kissova also described a bilateral cooperative programme with the Netherlands: on strengthening the institutional basis of the WEMC and the Centre for Chemical Substances and Preparations in order to be compatible with appropriate EU organisations; and on creation of a national information system on SEVESO directive plans. Further, the Slovak Republic participates in the PHARE programme activities as they relate, *inter alia*, to: release of dangerous substances to the aquatic environment, and to implementations of environmental legislation compatible with EU directives.

3. Summary of Perspectives and Experiences of Selected Countries with Advanced Management Capabilities

This section of the report provides summaries of presentations by representatives of countries with advanced management capabilities regarding financial resource mobilisation for the sound management of chemicals.

Germany noted the need to combine the use of different sources of financial assistance, such public, bilateral and multilateral aid as well as private aid to achieve a coordinated, holistic approach.

The presentation by Mr. Jens Küllmer of **Germany's** Ministry for Environment (BMU) focused in particular on the involvement of law and international financial mechanisms in the sound management of chemicals. Introducing the legal context and infrastructure within which chemicals are managed in Germany, highlighting the Act on the Protection against Dangerous Substances (*ChemG*), attention was drawn to the various types of financial assistance available, noting the need to combine the use of different sources, such public, bilateral and multilateral aid as well as private aid to achieve a coordinated, holistic approach. Innovations in resource mobilisation were discussed, including currently applied mechanisms such as debt-for-nature and potential future mechanisms such as biodiversity patents and tradable development rights. Finally, the importance of coordination was reiterated, with special attention given to the need to involve stakeholders and to consider the unique circumstances faced by each country.

Switzerland summarised the sources of income used by the Swiss government to fund its activities in the field of chemicals and described the constitutional principles on which guiding and control measures are founded.

Mr. Peter Müller, a consultant with the Swiss Agency for the Environment, Forests, and Landscape (SAEFL), limited the scope of his review for the involvement of **Switzerland** in the sound management of chemicals for domestic issues. In view of the later presentation by Ms. Nadine Speich on Swiss international projects, he began his presentation with a summary of the sources of income used by the Swiss government to fund its activities in the field of chemicals and described the constitutional principles on which guiding and control measures (e.g. the Polluter Pays Principle) are founded. These measures were illustrated through several examples, including the Volatile Organic Compounds Incentive Tax and the Law Regarding Carbon Dioxide Generation. These examples also served to highlight the relationship between the different roles of the cantonal and federal governments in the management of chemicals. A brief discussion of the total cost of chemicals management in Switzerland led to the conclusion that the bulk of costs are hidden and an almost negligible part of public spending and that achieving sound chemicals management is mainly a matter of attitude of each of the stakeholders. Negotiating positions of various actors, such as the public, industry, service sector and the state were reviewed in the light of their desires, needs, preferences and services in relation to specific chemicals management activities and their financing. The overall targets were to protect health and the environment, promote the economy, and justice, and ensure fairness in competition, flexibility and sustainability.

4. Summary of Perspectives and Experiences of Selected Countries that provide Financial Resources/Development Assistance

Germany stressed the need for recipient countries to take an active role in acquiring development assistance, for instance, by identifying needs and placing them within the context of their national development strategy.

In his presentation, Dr. Matthias Kern of the GTZ gave insights into financial resource mobilisation from the standpoint of the donor community as represented by **Germany**. Dr. Kern argued that the German development assistance strategy is rooted in the idea that environmental protection, sustainable resource use and sound chemicals management lay the groundwork for successful long-term development. He further stressed the need for recipient countries to take an active role in acquiring development assistance, for instance, by identifying needs and placing them within the context of their national development strategy, and by ensuring the support of the national government. He also provided an overview of the formal process necessary for initiating a programme of financial aid (from a donor) in order to demonstrate the need for each participating entity to play a distinct role in the aid process. For example, the initiator of a chemical safety project must act as the focal point and driving force, promoting the project idea to the development assistance administration within that country and ensuring that the project is promoted to the most suitable bilateral donor. Finally, non-governmental sources of financial support based on the roles to be played by the recipients, co-sponsors and stakeholders in the process were examined.

It was observed that the KemI is financed partly through taxes, but mainly through fees levied, for instance, against applicants for pesticide licenses and yearly fees on production and import of chemicals.

While in most countries, responsibility for chemicals management is decentralised, usually spread over several ministries, in **Sweden**, though the task of chemicals management is shared by several entities within the government, a single body, the Kemikalieninspektionen (KemI) Chemical Inspectorate, has been created to be entirely devoted to the sound management of chemicals. Mr. Bengt Bucht, the representative of KemI, indicated that the management of chemicals is a horizontal issue involving many parties, including producers, importers, sellers and users, each with unique responsibilities. Trade and industry as well as consumers, for example, have a responsibility for safe marketing and use of chemicals, while the government and its agencies must act to steer, guide and monitor without taking over the responsibilities of the other parties. Discussing financial aspects of chemicals management, the resources allocated by Sweden compared with the Baltic states were presented. It was observed that the KemI is financed partly through taxes, but mainly through fees levied, for instance, against applicants for pesticide licenses and yearly fees on production and import of chemicals. In summary, it was noted that a legal and institutional infrastructure with permanent internal financial sources are vital elements in ensuring the sound management of chemicals. In the creation of such an infrastructure, temporary internal or external funds can often be utilised; and financial institutions such as banks and insurance companies may play an important role.

According to the figures cited by Ms. Nadine Speich of **Switzerland's** SDC, the Swiss government has budgeted approximately 4% of its bilateral aid budget to environmental programmes directed towards offering support at a policy level as well as operational level. By offering such assistance, SDC aims, *inter alia*, to:

- contribute to sustainable development and the enforcement and implementation of solutions to environmental problems;
- help alleviate poverty;
- support innovation through replicable pilot projects;
- encourage regional cooperation; and
- disseminate Swiss and international expertise.

In the experience of SDC, certain prerequisites are necessary for achieving these goals, including the linking of environmental issues to development issues; motivated partners; involvement of multiple stakeholders; local ownership; and support for each step of the chemicals management process. Ms. Speich noted that challenges have been faced, in particular, in promoting a comprehensive prevention strategy, in mobilising private sector funding, in managing conflicts, and generally in assuring cooperation and coordination towards the achievement of goals.

5. Summary of Perspectives and Experiences of Selected NGOs, IGOs and Convention Secretariats

OPCW, explained the role of international cooperation and exchange of scientific and technical information in the field of chemical activities under the CWC.

Mr Bijoy Chatterjee, Head of the International Cooperation Branch of the International Cooperation Division, **OPCW**, explained the role of international cooperation and exchange of scientific and technical information in the field of chemical activities under the CWC. He pointed out that several programmes were developed in order to achieve the following objectives: international cooperation in the field of chemical activities; international exchange of scientific and technical information; support for national capacity building and technical capabilities relevant to the Convention; and facilitation of national implementation of the Convention. He described the following OPCW International Cooperation Programmes and activities related to implementation support:

- The Associate Programme aims to: facilitate industry-related national implementation of the CWC; enhance national capacities by offering training in chemistry/chemical engineering related areas to personnel from industry, universities and government; facilitate trade through adoption of good practices in the chemical industry; and broaden the basis of future recruitment in the National Authorities and OPCW Secretariat.
- The Conference Support Programme aims to enable scientists and other technical people from developing and transition economy countries to participate in conferences, seminars and workshops for fullest possible exchange of scientific and technical information relating to the development and application of chemistry for purposes not prohibited under the CWC.
- The Support for Research Projects Programme aims to facilitate peaceful application of chemistry and sustainable development by providing support to a limited number of research projects.
- The Internship Support Programme aims to enable scientists and engineers, working in either research institutions, laboratories or recognised universities in Member States which are developing countries or countries with economies in transition, to work for a limited period in a more advanced laboratory or facility in another Member State, on an internship basis with a view to facilitating the exchange of scientific and technical information and capacity building.
- The Laboratory Assistance Programme aims to assist laboratories involved in chemical analysis and seeking designation or otherwise to improve their technical capabilities. The forms of support include training of staff at leading laboratories, internship at advanced laboratories, assistance in establishment of adequate quality assurance system and preparation of quality manuals.
- The Equipment Exchange Programme aims to facilitate voluntary transfer of laboratory equipment which is in good working condition from developed to developing/transitional economy countries.
- The Information Service Programme provides free information,

upon request, such as availability of safer alternatives for a particular chemical within a region, with the details of suppliers/manufacturers.

Finally, Mr Chatterjee briefly discussed OPCW's programmes related to implementation support, such as the National Authorities training courses, Regional meetings, National Authority Day, National Authority Information Package, Technical Assistance Visits, National Seminars and Ethics Project.

IPEN links mostly small and medium-sized NGOs located principally in developing countries and countries with economies in transition in preparation for the implementation of the Stockholm Convention.

Ms. Morag Carter framed her discussion on fostering active and effective civil society participation in preparation for the implementation of the Stockholm Convention in an introduction to the **International POPs Elimination Network (IPEN)**. IPEN links approximately 350 mostly small and medium-sized NGOs located principally in developing countries and countries with economies in transition (e.g. through regional NGO resource centres). Through this network, POPs information specifically tailored to the needs of the countries is produced, NGO input is fostered in the National Implementation Plan process, and the level of awareness and expertise amongst NGOs and society, particularly with regard to the Stockholm Convention, is raised. The funding for the International POPs Elimination Project (IPEP) is derived from the Global Environment Facility (GEF) and co-financing from donor governments. The co-financing can be sent to partner UN agencies or directly to a national NGO in the donor or recipient country.

UNEP underlined the need to match the attributes of the funding source with the needs of the project.

Mr. Jim Willis of the **United Nations Environment Programme (UNEP)** shared his perspectives on different means of financing projects, underlining the need to match the attributes of the funding source with the needs of the project. For example, he noted that the acquisition of a GEF project is a long process, requiring years of preparation, and is therefore only suitable for future long-term funding needs. Mr. Willis discussed in more detail bilateral assistance, which he described as useful only for small or medium-sized sums; informal multilateral assistance, whose voluntary nature would exert a strong influence on the consistency of funding; and financial mechanisms. He gave a brief update on developments with respect to the GEF, remarking that an agreement had been reached on the replenishment of the fund. In connection with this development, he also observed that, in spite of the restrictions on the use of funds derived from the GEF, projects not strictly within the domain of POPs could also be financed with these funds, for instance in the fields of climate change, biodiversity, international waters, and land degradation. The importance of creating and demonstrating commitment (e.g. by linking projects to an overall strategy and to other projects) was also pointed out. By forging such links, a comprehensive chemicals management infrastructure could also be created that would be able to respond to future problems.

SBC must rely to a large degree on the harmonisation of funding from many organisations to achieve its mission.

Organisations such as the **Secretariat of the Basel Convention (SBC)**, represented by Mr. Pierre Portas, require significant amounts of funds to deal with the problems they have been charged with solving. Although the SBC has two trust funds at its disposal, one for assistance contributions and the other for technical cooperation, it must rely to a large degree on the harmonisation of funding from many organisations to achieve its mission. One of the more recent developments to facilitate such collaboration is the establishment of regional centres and, in the ten-year strategy of the SBC, the fostering of competition amongst regional funds.

WHO noted the importance of internal resource mobilisation, explaining that even small amounts of funds can be used as a foundation.

Extra-budgetary contributions represent a large majority of the resources devoted by the **World Health Organisation (WHO)** to sound management of chemicals. The distribution of these funds must be coordinated at several organisational levels: headquarters, regional and country. At the regional level, the decision must be made regarding the distribution of available funds through a centralised or a country-based system. Dr. Besbelli departed briefly from her discussion of WHO structures to note the importance of internal resource mobilisation, explaining that even small amounts of funds can be used as a basis upon which to build. She then continued by reviewing networking tasks performed by WHO including those related to capacity building and information exchange, for example, through the INTOX programme. In closing, the importance of close cooperation with the IOMC was affirmed.

6. Summary of Selected Experiences of Non-financial Assistance for Financial Resource Mobilisation

By sharing information through the IFCS network of focal points, participants are able to learn about the activities of others and become aware of new developments, structural and technological, in the field of chemicals safety.

Dr. Judy Stober, representing the **Intergovernmental Forum on Chemical Safety (IFCS)**, introduced it as a forum for countries, intergovernmental organisations (IGOs) and NGOs to communicate their problems, needs and concerns related to chemicals safety issues and to find cooperative solutions. By sharing information through the IFCS network of focal points, participants are able to learn about the activities of others and become aware of new developments, structural and technological, in the field of chemicals safety. The IFCS seeks to improve coordination of efforts to deal with issues, particularly through regional and sub-regional groups; recommends priorities for action; and promotes the strengthening of national capacities for management of chemicals. The fact was stressed that IFCS operates by consensus, through full and open participation of all partners, and that it leaves the implementation of recommendations to its partners. The various capacity building activities of the IFCS result from the implementation of Chapter 19 of UNCED Agenda 21 and the Bahia Declaration on Chemical Safety.

When fully developed, the INFOCAP website would contain information such as the National Profiles, Actions Plans and information on priorities and resource needs, as well as a reference library of training and guidance documents and a listing of contact points.

Recognising the need for access on various aspects of capacity building activities and needs related to chemical management, the IFCS supported the development of the Information Exchange Network on Capacity Building for the Sound Management of Chemicals (INFOCAP). To achieve the goal of facilitating information exchange, several guidelines were set out, including the creation of a simple and flexible mechanism and the utilisation of existing network infrastructure. When fully developed, the INFOCAP website would contain information such as the National Profiles, Actions Plans and information on priorities and resource needs, as well as a reference library of training and guidance documents and a listing of contact points. This information could be accessed and utilised by donors, recipients, project planners and countries needing support to fulfil their respective information requirements.

The presentation of Dr. Stober was followed by a demonstration by Mr. Boljkovac, UNITAR, of the INFOCAP website in its preliminary form, which could be found at www.infocap.info

7. Summary of Key Issues

Through the various presentations and discussions in the workshop, a number of key issues emerged regarding financial resource mobilisation for sound chemicals management.

7.1 General Observations

The following issues were considered to be critical to the development of a sound infrastructure for chemicals management (and an effective basis for related financial resource mobilisation):

Ensure internal coordination within a country – both vertically and horizontally – to promote synergies and mutual understanding in the field of chemicals management.

- ensuring internal coordination within a country – both vertically and horizontally – to promote synergies and mutual understanding in the field of chemicals management;
- linking chemicals management to enforceable legal requirements;
- monitoring compliance and inspection to ensure effective implementation of the sound management of chemicals;
- finding opportunities to link chemicals management with other existing projects in support of sustainable development including poverty alleviation;
- ensuring an effective and efficient use of financial resources through a commitment to the sound management of chemicals; appropriate infrastructure; clear goal and systematic approach towards project planning; and competent human resources (comprising both technical and management skills);
- recognising that sound chemicals management requires investment in prevention (including maintenance of equipment and technical infrastructures) and that although prevention may have cost implications in the short term, the long term benefits outstrip such costs; and
- understanding that toxic chemicals are a potential problem in terms of their misuse, including their potential for use in acts of terrorism, and there should be appropriate investment in infrastructure for prevention of, response to and clean-up from chemical incidents.

7.2 Observations Regarding Financial Resource Mobilisation

Observations specifically related to financial resource mobilisation that were considered important include:

The potential of the INFOCAP mechanism was highlighted and acknowledged as a powerful tool for both the donor and recipient countries and other key users.

- the value of networking financial and human resources from different institutions should be recognised;
- the potential synergies of relating sound chemicals management to sustainable development was considered important, recognising that funding strategies of many donors are aimed at fostering sustainable approaches;
- once national priorities have been decided, recipients should seek support from development assistance organisations whose priorities are consistent with their own. Furthermore, while submitting projects proposals to organisations that provide development assistance, the priorities, procedures and requirements of these organisations should be kept in view;
- the potential of the INFOCAP mechanism was highlighted and acknowledged as a powerful tool for both the donor and recipient countries and other key users. It was also recognised that a high and consistent level of participation in INFOCAP, especially through its network of Points of Contact, is key to its long-term success as a tool for information exchange;
- many countries have had positive experiences with resource generation from fees charges, tax incentives, etc. which can not only cover the costs of implementing but also can help to provide additional resources which could be used for the sound management of chemicals and other sustainable development projects; and
- the importance of having legislation which provides penalties for violations, and that funds so generated be earmarked for the sound management of chemicals-related activities, should be considered.

7.3 Approaches to Internal Financial Resource Mobilisation

The workshop identified a number of possible approaches to internal resource mobilisation and areas where savings could be obtained. These include:

The workshop identified a number of possible approaches to internal resource mobilisation and areas where savings could be obtained.

- regular budget resources of individual departments at the state and provincial level;
- inter-ministerial funding and special intersectoral funds;
- additional tax on fuel consumption and fees on energy consumption;
- tax on establishments/facilities classified as polluting (and therefore resulting in a higher risk of chemical exposure to humans and the environment);

- upfront payments (for example, chemicals-specific charges which are refundable on compliance with particular standards);
- obligatory investments by corporate bodies to ensure best practices for the sound management of chemicals (e.g. the preventive aspects of the “polluter pays” principle);
- fees regarding chemicals (e.g. pesticide registration fees);
- contributions from private donations (e.g. foundations, tax benefits, mixed or public funds);
- eco-tourism fees;
- penalties for violations/damages;
- economic incentives such as: tax exemptions, reduced tax rates and higher depreciation rates. Examples include:
 - incentives regarding cleaner production practices, such as environmentally-friendly power generation;
 - rebates and incentives (e.g. introduction of alternative products that promote the sound management of chemicals);
 - access to cheaper credits (lower interest rates) for safe, soundly managed facilities;
 - obligatory risk insurance for handling of dangerous chemicals (differentiated insurance rate depending on practices); and
 - special import tariffs for specific dangerous chemicals (consistent with WTO regulations);
- cost saving measures (e.g. free media coverage for chemical safety issues; seek synergies with universities, education and research institutions; use voluntary appropriate human resources; integration of chemical safety in relevant development projects; optimised use of existing resources through improved coordination and cofinancing); and
- networking of resources at the local (e.g. city, municipal) level.

7.4 Observations Regarding External Financial Resource Mobilisation

With respect to external resource mobilisation, four main groups of potential donors were identified.

With respect to external resource mobilisation, four main groups of potential donors were identified. These are:

- Multilateral Donors
 - United Nations-related
 - Non-United Nations (e.g. OPCW, Bretton Woods Institutions, Regional Development Banks)
 - Multilateral Environmental Agreement Secretariats (e.g. related to the sound management of chemicals)

- Regional groupings (e.g. SADC) and Regional cooperation organisations (e.g. Gulf Cooperation Council)
- Bilateral Donors
 - Donor countries
- NGOs
 - Private foundations
 - Professional bodies
 - Public interest groups
 - NGO networks
- Commercial/industrial sector

In order to make effective use of external financial resources there should be a minimum of infrastructure in the country, including a legally mandated coordinating body and an approved national strategy for the sound management of chemicals. This should be complemented with an implementing organisation infrastructure and communications infrastructure. All should be undertaken within a multi-stakeholder context.

Furthermore, a number of measures were suggested to overcome constraints regarding the effective and efficient generation and use of external funds:

A regularly updated National Profile for chemicals management helps to ensure that country information is clear and complete.

- addressing language barriers;
- prior allocation of resources to assist those countries which lack experience in preparing projects;
- use of a regularly updated National Profile for chemicals management to help ensure that country information is clear and complete and to promote stakeholder responsibility;
- identification of project-owners and appropriate partners/stakeholders, particularly where related projects could provide synergies (possibly avoiding suppression of original or innovative approaches);
- coordination of participation in international meetings, including scientific meetings;
- ensuring proper maintenance of technical equipment and infrastructure related to sound chemicals management; and
- ensuring appropriate coordination of both internal and external financial resource mobilisation.

8. Practical Suggestions and Recommendations

A number of practical suggestions and recommendations emerged from the workshop, which may be of value for countries which are seeking to strengthen their financial resource mobilisation efforts to support the sound management of chemicals.

8.1 Recommendations to Recipient Countries to Facilitate Financial Resource Mobilisation

The workshop conclude that in order to facilitate financial resource mobilisation each recipient country should:

Identify opportunities to link chemicals management with other existing projects in support of sustainable development, including poverty alleviation.

- identify the means to raise awareness at the highest levels in order to ensure that chemicals management issues, as a basic pillar of the larger issues of health and environmental protection, are given appropriate priority, including in national sustainable development strategies;
- take advantage of existing subject-specific opportunities in the chemicals management field (such as those provided under the Stockholm Convention on Persistent Organic Pollutants) to ensure that, at the national level, the foundations of chemicals management programmes are strengthened in an integrated manner;
- identify opportunities to link chemicals management with other existing projects in support of sustainable development, including poverty alleviation (e.g. its possible incorporation, where appropriate, in a Poverty Reduction Strategy Paper developed through a recognised process);
- ensure that the optimum infrastructure is in place at the national level for sound chemicals management, including enabling legislation, coordinated implementation and communications infrastructure[see exec sum comments], all of which should work within a multi-stakeholder context;
- ensure appropriate coordination of both internal and external efforts aimed at financial resource mobilisation, promoting the identification of stakeholders to implement specific chemicals-related projects as well as partnerships, particularly where related projects could provide synergies;
- ensure that relevant individual departments at the national state/provincial and local levels have regular budgetary resources dedicated to the sound management of chemicals, where appropriate establishing legislative and other links to ongoing long-term

Ensure that a sound project planning approach, including the setting of priorities, goals, objectives and identification of options within a transparent multi-stakeholder context is undertaken.

- government resource commitments, such as permanent budget lines of Ministries of Finance, Economics and Planning;
- encourage all stakeholders involved in chemicals management issues to accurately budget for related activities so as to reduce possible hindrances to financial resource mobilisation;
- enforce obligatory investments by corporate bodies to ensure best practices for the sound management of chemicals, taking into account the precautionary principle;
- in order to promote financial resource mobilisation for the sound management of chemicals in the private sector, institutionalise economic incentives, such as:
 - tax exemptions or reduced tax loads, higher depreciation rates, tax holidays;
 - promoting cleaner production including environment-friendly [or environmentally-friendly] power generation;
 - rebates/incentives (including introduction of alternative products and processes that promote the sound management of chemicals); and
 - access to cheaper credits (lower interest rates) for safe, soundly-managed facilities;
- ensure that a sound project planning approach, including the setting of priorities, goals, objectives and identification of options within a transparent multi-stakeholder context is undertaken; and
- promote good governance both at the public and private level.

8.2 Recommendations to Donors to Facilitate Financial Resource Mobilisation

Further coordination in relation to specific funding of chemicals management in countries and related sustainable development projects should be encouraged.

- further coordination in relation to specific funding for the sound management of chemicals in countries and related sustainable development projects should be encouraged;
- certain current policies, which restrict funding for the sound management of chemicals (e.g. for technical infrastructure) should be reviewed with a view to alleviating such restrictions;
- consideration should be given to further support for the participation of appropriate experts from developing countries and those with economies in transition in international meetings and congresses concerned with [the sound?] management of chemicals, particularly where the recipient countries may benefit and where appropriate geographical balance may be enhanced; and

- consideration could be given to the establishment of an international trust fund, to which the chemical industry in developed countries could contribute on an agreed *pro-rata* basis. The assets from this fund could be used not only for awareness-raising, infrastructure building and training, but also to assist recipient countries in raising matching internal funds.

8.3 Recommendations Applicable to All Parties to Facilitate Financial Resource Mobilisation

- The Information Network on Capacity Building for the Sound Management of Chemicals (INFOCAP) mechanism should be made operational as soon as possible. Recipients, donors and other key participants, especially through their designated Points of Contact, are encouraged to regularly contribute and update information for INFOCAP and should ensure that the mechanism be given wide publicity.
- A UNITAR/IOMC Guidance Document on *Finance Resource Mobilisation* should be developed and widely disseminated.

Annex A: Workshop Agenda

Tuesday, 19 November 2002

10.00 Opening Ceremony

Statements by:

- Bijoy Chatterjee, Head, International Cooperation Branch, ICA Division, OPCW
- Senior Official, UNITAR
- Matthias Kern, Pilot Project on Chemical Safety, GTZ

10.30 Introduction of Participants

10.40 Introductory Presentation on Workshop Topic, Objectives and Methodology

- John Haines, UNITAR

11.00 Coffee Break

11.15 Part I – Country Experiences with Financial Resource Mobilization

Moderator: Bijoy Chatterjee, OPCW

11.15 Session 1: Situations and Challenges in Developing Countries

Representatives of developing countries will give brief presentations (15 minutes, including questions), which highlight the current situation in their countries with regard to financial resource mobilization. Emphasis will be placed on examples of successful approaches, practical problems faced, and issues, which are particularly challenging. There will be a broader discussion at the end of the day in Session 4.

- Miguel Hildmann and Pedro von Eyken, Ministry of Foreign Affairs, Argentina
- Irma Suaraz, Ministry of Environment, Ecuador
- Ousmane Sow, Ministry of Environment, Senegal
- R. Bayat Mokhtari, Ministry of Foreign Affairs, Iran
- K.G.D. Bandaratilake, Central Environmental Authority, Sri Lanka

12.30 Lunch Break

14.00 Session 2: Situations and Challenges in Countries with Economies in Transition

Representatives of countries with economies in transition will give brief presentations (20 minutes, including questions), which highlight the current situation in their countries with regard to financial resource mobilization. Emphasis will be placed on examples of successful approaches, practical problems faced, and issues which are particularly challenging. There will be a broader discussion in Session 4.

- Darja Bostjancic, Ministry of Health, Slovenia
- Yelzhan Birtanov, Republican Toxicology Center, Kazakhstan

15.00 Session 3: Perspectives and Experiences of Countries with Advanced Chemicals Management Capabilities

Representatives from countries with advanced chemicals management capabilities will give brief presentations (around 20 minutes) which share the experience gained over the past years regarding financial resource mobilization. Emphasis will be given to approaches that have worked well and/or which have been difficult to implement. Lessons learned which might be of particular relevance to developing countries and countries with economies in transition will also be highlighted. There will be 5 minutes at the end of each presentation for questions and answers.

- Jens Küllmer, Federal Ministry for the Environment, Germany
- P.M. Mueller, Swiss Agency for the Environment, Forests and Landscape

15.50 Tea Break

16.15 Session 4: General Discussion of Presentations and Experience of Participants

This Session provides the opportunity for a broader discussion in plenary of country experience of financial resource mobilization, particularly the issues and difficulties in ensuring resource stability for sound management of chemicals.

17.00 Close

17.15 Reception

Wednesday, 20 November 2002

09.30 Part II: Sources and Tools for Financial Resource Mobilization

Moderator: Craig Boljkovac, UNITAR

Session 5: Experiences of Countries that Provide Development Assistance

Representatives of Bilateral Development Assistance Agencies and of Agencies in developed countries involved in providing financial resources for specific chemical safety activities in developing countries and those in economic transition will share their experience and views (15 minute presentations) of useful approaches as well as of the difficulties. There will be 5 minutes at the end of each presentation for questions and answers, followed by 15 minutes for a general discussion of the issues facing bilateral cooperation in relation to financial resource mobilization for sound management of chemicals.

- Matthias Kern, Pilot Project on Chemical Safety, GTZ
- Bengt Bucht, KEMI, Sweden
- Nadine Speich, Swiss Agency for Development and Cooperation

10.45 Coffee Break

11.15 Session 6: Perspectives and Experiences of NGOs, IGOs and Convention Secretariats

Representatives of International Organizations will share their experience and views (presentations of 20 minutes) of generating financial resources for sound management of chemicals in developing countries and those in economic transition, particularly in relation to specific objectives such as implementing a Multilateral Agreement or establishing a chemical safety activity such as for chemical emergency response. At the end of the Session there will be 15 minutes for plenary discussion of the specific issues facing multilateral development assistance in relation to promoting sound management of chemicals in countries.

- Bijoy Chatterjee, Head, International Cooperation Branch, ICA Division, OPCW
- Morag Carter, International POPs Elimination Network (IPEN)
- UNEP Chemicals (*invited*)

12.30 Lunch Break**14.00 Session 7: Non-financial Assistance for Financial Resource Mobilization**

Representatives of two mechanisms for international cooperation in the field of sound management of chemicals, the Intergovernmental Forum on Chemical Safety, a non-institutional arrangement for governments to meet with inter-governmental and non-governmental organizations, and the European Chemical Industry Council, a private sector forum for the European chemical industry, will present (20 minutes including questions and answers) their experiences of promoting financial resource mobilization for sound management of chemicals. At the end of the session there will be an opportunity for a plenary discussion of the issues and problems involved in implementing non-financial assistance for promoting financial resource mobilization.

- Judy Stober, Executive Secretary, IFCS
- Craig Boljkovac, UNITAR

15.00 Part III: Discussion on Appropriate Ways and Means for Financial Resource Mobilization**Introduction to Working Group Discussions: Brief Presentations on Themes for Working Groups, John Haines, UNITAR**

- Assignment to Working Groups

15.30 Tea Break**16.00 Meetings of Working Groups According to Themes⁷****17.00 Close****Thursday, 21 November 2002****09.30 to 15.30 Meetings of Working Groups According to Themes****10.45 to 11.15 Coffee Break**

⁷ Chairs and Rapporteurs should be chosen within each Working Group and will report back orally to Plenary. Working Group 1 will stay in Room 2 and Working Group 2 will meet in Room 5.

12.30 to 14.00 Lunch Break

15.30 to 16.00 Tea Break

16.00 to 17.00 Presentation of Working Group results and discussion in Plenary

Moderators: John Haines, UNITAR and Bijoy Chatterjee, OPCW
(Drafting Group meets from 17.15)

Friday, 22 November 2002

10.00 Part IV: Review of Workshop Conclusions and Recommendations.

Moderators: Craig Boljkovac, UNITAR and Bijoy Chatterjee, OPCW

The Secretariat will table the main observations and conclusions of the workshop for discussion and possible adoption by participants.

12.00 Closing Ceremony

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Annex B: List of Participants

1. Country Representatives

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Annex C: List of Acronyms

ATS	Act on Toxic Substances
BMU	German Ministry for Environment (BMU)
CEQUIPE	Centre of Research and Development in Chemistry and Petrochemicals
CIQUIME	Information Centre for Chemical Emergencies
CWC	Chemical Weapons Convention
GEF	Global Environment Facility
GTZ	<i>Gesellschaft für technische Zusammenarbeit</i> (German Technical Cooperation)
IFCS	Intergovernmental Forum on Chemical Safety
IGO	Intergovernmental Organisation
INFOCAP	Information Exchange Network for Capacity Building for the Sound Management of Chemicals
IOMC	Inter-Organisation Programme for the Sound Management of Chemicals
IPCS	International Programme on Chemical Safety
IPEN	International POPs Elimination Network
IPEP	International POPs Elimination Project
KEMI	Kemikalieninspektionen
NGO	Non-Governmental Organisation
OPCW	Organisation for the Prohibition of Chemical Weapons
PIC	Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade
POPs	Persistent Organic Pollutants
SAEFL	Swiss Agency for the Environment, Forests, and Landscape
SBC	Secretariat of the Basel Convention
SDC	Swiss Agency for Development and Cooperation
SEA	Slovak Environment Agency
UNCED	United Nations Conference on Environment and Development
UNEP	United Nations Environment Programme
UNITAR	United Nations Institute for Training and Research
WEMC/SEA	Waste and Environmental Management Centre
WHO	World Health Organisation
WTO	World Trade Organisation



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