IPEN Intervention on Finance

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Thank you Madam President

Thank you to the secretariat and the helpful reports from co-chairs and UNEP; QSP EB and to donors who have financially supported implementation so far. IPEN strongly supports a long-term financial mechanism that matches the scale of chemical safety actions needed to achieve the 2020 goal. Like others, we believe that the governance aspects of the mechanism will need to be clarified and carefully considered. ICCM should participate actively in shaping the UNEP Executive Director's proposal for an integrated approach to SAICM financing

Instead of repeating many of the points raised by previous speakers, I would like to direct my comments to one important aspect of financing the chemicals agenda which is described in the UNEP Executive Director's proposal and in the Global Chemicals Outlook.

The Global Chemicals Outlook notes that

· Health and environmental effects of chemicals are serious and escalating

· Financial costs of chemical exposure are often unrecognized and substantial

· The vast majority of human health costs linked to chemical production, consumption and disposal are not borne by chemical producers, or shared down the value-chain

These factors point in one direction: these costs need to be recovered from the chemical industry as it serves as one source of financial support for SAICM implementation worldwide.

The Global Chemicals Outlook notes that in 2010, the sales of the global chemical industry were more than USD $4 trillion. How big is 4 trillion? One trillion seconds is more than 120,000 years. A very small percentage of this enormous number – say 0.1% - would yield more than USD$4 billion US dollars for financing the chemicals agenda worldwide.

Who makes all this money? The Global Chemicals Outlook says:

The worldwide expansion of the chemicals industry has been driven in large part by the emergence of multinational chemical companies as OECD-based companies invested in production facilities in non-OECD companies.

The Executive Director's proposal on this issue includes "industry involvement" as a key aspect of an integrated approach to financing. However, this section of the report is written in such a way that no money will come from the industry.

In particular paragraph 16 of the report needs to deleted: This paragraph states:

Industry involvement in an integrated approach cannot be governed through international agreements or financial mechanisms established by those agreements.

This says that industry is absolutely exempt from any financial responsibility associated with any international agreement and totally exempt from any responsibility relative to any financial mechanism.

The objective of the ED's proposal is to find ways to mobilize resources; not to explicitly preclude ways to mobilize resources.

In summary:

Transnational companies are the main financial beneficiaries of increased chemical production and use. These companies are primarily based in wealthy countries, but the governments that most lack the resources and capabilities needed to put systems in place to protect their citizens and their national environments are located in the developing world. This is an unbalanced system that benefits only one side.

We believe that the time has come for the industry to pay its fair share.

Thank you for consideration of our views.