Annex II

Draft resolution GFC-1/[--]: Investing for impact: finance and investment

The International Conference,

Global Framework on Chemicals Fund

Recognizing the establishment of the Global Framework on Chemicals Fund, by the International Conference on Chemicals Management at its fifth session, as a dedicated financial mechanism to support the implementation of the Global Framework on Chemicals – for a Planet Free of Harm from Chemicals and Waste in developing countries and countries with economies in transition,

Expressing its appreciation to the Governments and other donors that have contributed financial resources to the Global Framework on Chemicals Fund, and recognizing that continued voluntary contributions will be essential to sustain and expand support for implementation of the Framework,

1. Welcomes the progress achieved in making the Global Framework on Chemicals Fund operational, and recognizes its important role in supporting the implementation of the Global Framework on Chemicals – for a Planet Free of Harm from Chemicals and Waste at the national and regional levels;

2. Decides to adopt the revised terms of reference of the Global Framework on Chemicals Fund, as set out in the annex to the present resolution;

3. Recognizes the potential of the Fund to use its grant resources strategically to support countries in:

(a) Generating recurring domestic revenue for chemicals and waste management;

(b) Directing domestic finance towards chemicals and waste priorities;

(c) Preparing initiatives and demonstrating their viability for larger-scale grant-based or repayable financing, as appropriate;

4. Requests the Executive Board of the Global Framework on Chemicals Fund, with support from the secretariat, to incorporate the three financing pathways set out in paragraph 3 above, as appropriate, into the priorities, guidance and application requirements for future funding rounds, taking into account the implementation priorities identified under the Framework;

5. Also requests the Executive Board to ensure that future applications, to an extent that is appropriate and proportionate to their scope, demonstrate a contribution to at least one of the three financing pathways and identify the financing constraint and the related policy, institutional or technical barriers to be addressed; the institutions responsible; the resources expected to be generated, directed towards chemicals and waste priorities or accessed in the future; and how those resources would be mobilized and sustained, as applicable, beyond the duration of Fund grants;

6. Encourages cooperation with the Global Environment Facility, multilateral development banks, development finance institutions and other relevant partners, taking into account their different financing modalities and project preparation requirements, to facilitate the preparation of suitable Fund-supported initiatives and their progression towards larger-scale financing;

7. Requests the Executive Board, with support from the secretariat, to develop the proposed dedicated private sector finance window under the Global Framework on Chemicals Fund, complementary to its existing grant-based financing, and, subject to a positive assessment of its feasibility and compliance with applicable governance requirements, to proceed with its implementation and report on progress and initial experience to the International Conference of the Global Framework on Chemicals at its next session;

8. Also requests the Executive Board to consider, inter alia, potential sources of capitalization, including contributions from the private sector and philanthropic organizations; appropriate financing modalities and instruments, including blended finance and de-risking approaches; governance, fiduciary and risk management arrangements; the role of multilateral 9 UNEP/GFC/IC.1/8 development banks and specialized financial institutions; and any implications for the Fund and its terms of reference;

9. Invites Governments, regional economic integration organizations, the private sector, philanthropic organizations and other donors, as appropriate, to provide voluntary financial contributions to the Global Framework on Chemicals Fund to enable it to continue to support the implementation of the Framework, in accordance with its terms of reference;

Global Environment Facility

10. Welcomes with appreciation the reference to the Global Framework on Chemicals in the programming directions for the ninth replenishment of the Global Environment Facility, along with the possibilities to support activities that contribute to the achievement of the objectives of the Framework;

11. Invites the Global Environment Facility, within the scope of its mandate, to give consideration to supporting the implementation of priorities identified under the Framework; 12. Also invites the Global Environment Facility to consider opportunities, through relevant global

initiatives, including the global environmental benefits calculator, the platform for resources, insights and strategic management on chemicals and waste and other appropriate programmes, to support the implementation of the measurability structure and indicators under the Framework;

13. Encourages the Global Environment Facility and the Global Framework on Chemicals Fund, within the scope of their respective mandates and priorities, to explore possibilities to enhance complementarity;

14. Invites the Global Environment Facility to consider, as appropriate and within the scope of its mandate, implementation priorities identified by the International Conference through its periodic review of progress towards the objectives and targets of the Framework when considering future programming;

Assessment of financial and investment flows

15. Welcomes the analysis carried out for the cotton clothing value chain to advance the assessment of the existing financial and investment flows as well as financial needs associated with the implementation of the Framework, including the modelling approach aimed at quantifying the cost of transitioning the global cotton clothing value chain away from hazardous chemicals;

16. Requests the United Nations Environment Programme, in collaboration with the Inter-Organization Programme for the Sound Management of Chemicals and all relevant stakeholders, subject to the availability of resources: (a) to continue developing the modelling approach for assessing financial needs across the cotton clothing value chain; (b) to replicate the analysis of financial needs conducted for the cotton clothing value chain, including its modelling approach, in other sectors; and (c) to support the advancement of priority actions identified through the analytical work conducted;

17. Encourages Member States to develop and adopt similar approaches at the national level, including within their domestic accounting systems;

Benefits of action

18. Invites the relevant participating organizations of the Inter-Organization Programme for the Sound Management of Chemicals, subject to the availability of resources, to conduct a study and prepare a report on the benefits of action based on the methodology proposed in the scoping study no later than at the next session of the International Conference;

19. Encourages countries, once the benefits of action study is completed, to make use of the findings contained therein to catalyse action at the national level in support of sustainable domestic financing for the sound management of chemicals and waste.