

# IOMC



INTER-ORGANIZATION PROGRAMME FOR THE SOUND MANAGEMENT OF CHEMICALS

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

## Identifying opportunities for the financial sector to advance a global transition to sustainable chemistry

*Online consultation to contribute to a global multi-stakeholder process on a future global framework on chemicals and waste management beyond 2020*

*Tuesday, 20 June 2023, 1630 - 1800 CEST*

### Investment opportunities to scale up sustainable chemistry

Finance and investment aspects of chemicals and waste management are gaining in importance worldwide. The second UNEP Global Chemicals Outlook ([GCO-II](#)) noted that chemical pollution continues to result in economic externalities estimated to be in the range of several percentage points of global GDP, creating significant corporate risks and liabilities. Likewise, the economic benefits of action from preventing chemical exposure are significant and in the range of billions of dollars annually.<sup>1</sup> Taking these developments into account, GCO-II called upon all stakeholders, including financial institutions, to scale up action to advance sustainable chemistry innovation. It concluded that “Business-as-Usual is not an Option”.

Investments in sustainable chemistry not only help to address the triple planetary crisis of climate change, biodiversity loss, and pollution, but they also help to manage risks for businesses and financiers, such as growing litigation risks related to hazardous chemicals. In addition, they represent strong business opportunities. From 2015-2019, for example, the green chemistry product markets grew 12.6 times faster than conventional counterparts and 5.4 faster than the market.<sup>2</sup> These trends are expected to continue, with a growing number of financial institutions responding and changing course.<sup>3</sup>

### Invitation to engage in a global consultation, 20 June 2023

The global community is currently [negotiating](#) a future global framework on the Strategic Approach and sound management of chemicals and waste beyond 2020 (“Beyond 2020”). The new framework is expected to be adopted at the 5th International Conference on Chemicals Management (ICCM5), Bonn,

<sup>1</sup> For a detailed review of relevant studies see Chapter 8 of Part I of GCO-II (UNEP 2019)

<sup>2</sup> [The Investment Case for Sustainable Chemistry](#) (2023)

<sup>3</sup> See for example the [Investor Environmental Health Network](#) or the [Investor Initiative on Hazardous Chemicals](#)

Germany, 25-29 September 2023. The engagement of the private sector and industries, including the financial sector, has emerged as an important topic in the negotiations.

On 20 June 2023, financial stakeholders are invited to participate in a 1.5-hour virtual session. This will contribute to a broader two-day face-to-face global multi-stakeholder expert workshop organized by the Inter Organization Programme for the Sound Management of Chemicals ([IOMC](#))<sup>4</sup> from 20-21 June 2023 in Geneva, Switzerland. The two-day workshop focuses on the development of global guidelines for economic sectors and industry strategies to advance chemicals and waste management. It will also explore the elements and activities of a possible Implementation Programme being considered under “Beyond 2020”, including for the financial sector (further detail provided at the end). It builds on the [IOMC workshop](#) on “Advancing Chemicals and Waste Management in Chemical Intensive Economic Sectors and Industries” which took place from 17-18 January 2023, in Paris, hosted by OECD.

## Guiding questions for interested financial leaders

The online consultation with financial leaders will take place on day 1 of the workshop in the afternoon, Geneva (CEST) time. Feedback and results from this consultation will inform workshop discussions on day two. Guiding questions for the online consultation include:

- How does the financial sector currently engage in chemical pollution, waste management, and sustainable chemistry? What are good practices? What are existing challenges?
- What should the future global framework contain to enable and spur engagement from the financial sector to transition financial flows toward sustainable chemistry (e.g. specific targets to measure chemicals footprint, innovative financing)?
- What actions could be considered by financial leaders in advance of ICCM5 to contribute to the development of the framework (e.g. establishing a coalition or working group willing to provide input on the development of targets and other provisions in the framework, organize a side event at ICCM5)?

## Are you interested in joining and engaging?

Financial actors and stakeholders with an interest in sustainable finance to advance a transition to sustainable chemistry are encouraged to participate. This includes representatives from banks, insurers, pension funds, asset managers, private equity firms and foundations.

If you are interested in joining the online consultation, please contact (by 9 June 2023) Oliver Wootton, UNITAR ([Oliver.WOOTTON@unitar.org](mailto:Oliver.WOOTTON@unitar.org)) with copy to Peggy Lefort, [UNEP FI](#) ([peggy.lefort@un.org](mailto:peggy.lefort@un.org)) and Alexandra McPherson, [Investor Environmental Health Network](#) ([alexandra@cleanproduction.org](mailto:alexandra@cleanproduction.org)). Stakeholders may also express an interest in attending the full two days in person.

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<sup>4</sup> The nine Participating Organizations of the IOMC: FAO, ILO, UNDP, UNEP, UNIDO, UNITAR, WHO, the World Bank and the OECD

## Proposed workshop (20 & 21 June 2023) topics

### 1. Guidelines and principles to support chemical and waste strategies in economic sectors and industries – Review of draft annotated outline/draft text

- Which economic sectors and industries are encouraged to engage in “Beyond 2020”?
- Substantive topics covered by the guidelines:
  - Responsible business and sustainability frameworks
  - Corporate chemical and waste policies and management systems
  - Chemical footprint assessments and performance reviews
  - Information disclosure and transparency in supply and value chains
  - Advancing green and sustainable chemistry innovation
  - Standards and certification to support economic sector and industry strategies
  - Scaling-up innovative financing and engagement of institutional investors
- Process topics covered by the guidelines
  - Check-list for a self-assessment reviews at the company/industry level
  - Elements and steps for strategy development at the company/industry level
- Enabling topics covered by the guidelines
  - Government
  - Civil society/labor
  - Industry and finance sector

### 2. Elements and activities for a possible “Beyond 2020” Implementation Programme

- Global action dialogues (cross-sectoral and sector/industry specific)
- Global sector reviews
- Global knowledge-sharing

### 3. Creating momentum in specific sectors and industries in advance and beyond ICCM 5

Possible candidate sectors and industries (the chemical industry is cutting across all):

- Retail, Textiles, Electronics, Building and Construction, Healthcare, Food and Agriculture, and Finance

### 4. Preparation for ICCM 5

- Draft resolution text for a possible Implementation Programme
- Elements of a TOR for an Implementation Programme
- Consideration of an ICCM 5 side event