

Global Framework on Chemicals – for a Planet Free of Harm from Chemicals and Waste

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Open-ended Working Group of the
Global Framework on Chemicals – for a
Planet Free of Harm from Chemicals and Waste
First meeting
Punta del Este, Uruguay, 24–27 June 2025
Item 4 of the provisional agenda*

Financial considerations

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Note by the secretariat

I Introduction

1. At its fifth session, held in Bonn, Germany, in September 2023, the International Conference on Chemicals Management adopted resolution V/3 on financial considerations.
2. In the resolution, the Conference, among other things, requested the secretariat of the Global Framework on Chemicals – for a Planet Free of Harm from Chemicals and Waste, in collaboration with the Inter-Organization Programme for the Sound Management of Chemicals (IOMC), to assess the existing financial and investment flows as well as financial needs associated with the implementation of the Global Framework on Chemicals, and invited relevant participating organizations of IOMC to update the existing report on the costs of inaction on the sound management of chemicals.¹

II. Activities to implement the resolution

3. The secretariat, in collaboration with the IOMC participating organizations, commissioned a study to assess the existing financial and investment flows as well as the financial needs associated with the implementation of the Framework.
4. A high-level, top-down mapping exercise was conducted to describe the different stages of the global chemicals value chain and the key stakeholders and types of companies involved. In 2023, the total value of the global chemicals industry was estimated to be €5.2 trillion,² with sector activity concentrated in China and the wider Asian region (43.08 per cent and 14.13 per cent of the total value, respectively), the European Union (12.61 per cent) and the United States of America (11.26 per cent).
5. Initial analysis of the global chemicals value chain revealed a complex landscape of large, vertically integrated companies that produce, manufacture and distribute various types of chemicals for a variety of end-use markets. Basic chemicals are produced from either organic feedstocks (e.g. fossil-fuel- or biomass-based raw materials) or inorganic feedstocks (e.g. those derived from minerals, salts and gases) and are further refined to create commodity chemicals (e.g. polymers),

* UNEP/GFC/OEWG.1/1.

¹ United Nations Environment Programme, *Costs of Inaction on the Sound Management of Chemicals* (2013). Available at <https://www.unep.org/resources/report/costs-inaction-sound-management-chemicals>.

² <https://cefic.org/a-pillar-of-the-european-economy/facts-and-figures-of-the-european-chemical-industry/profile/>.

intermediate chemicals (e.g. pigments, dyes and surfactants) and higher-value speciality chemicals (e.g. adhesives, paints and personal care preparations), which are subsequently used in a wide variety of products.³ Additional details can be found in document UNEP/GFC/OEWG.1/INF/3.

6. Initial terms of reference have been drafted for the update of the 2013 costs of inaction report. The aim is to estimate the global economic costs of the health and environmental impacts arising from a lack of safe and sustainable chemicals management. This will include assessing the state of knowledge and most recent developments described in the peer-reviewed literature, in addition to determining a methodology for and the feasibility of generating estimates of the costs of inaction based on impact data. Additional details can be found in document UNEP/GFC/OEWG.1/INF/4.

7. Further to resolution V/3, the first technical advisory group meetings and consultations have been held to mark the start of the Global Environment Facility's ninth replenishment process, which will set the framework, size and ambition of funding to be provided to developing countries by the Global Environment Facility in the period from July 2026 to June 2030. The secretariat will continue to engage with the Global Environment Facility secretariat to indicate the priorities of the Framework.

8. The secretariats of the Framework and of the Special Programme to support institutional strengthening at the national level for implementation of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, the Stockholm Convention on Persistent Organic Pollutants, the Minamata Convention on Mercury and the Global Framework on Chemicals have identified interlinkages between their activities and are collaborating and cooperating to enhance the operation of the associated funds.

III. Proposed action

9. The Open-ended Working Group may wish to:

(a) *Note* the progress made by the secretariat of the Global Framework on Chemicals and participating organizations of the Inter-Organization Programme for the Sound Management of Chemicals;

(b) *Request* the secretariat, in collaboration with relevant stakeholders, to continue its focus on key sector value chains and develop indicative criteria for ensuring that public and private investment decisions are compliant with the Global Framework on Chemicals, including how such criteria could shape future disclosures;

(c) *Request* the secretariat, in collaboration with the participating organizations of the Inter-Organization Programme for the Sound Management of Chemicals and other stakeholders, to continue its work on updating the 2013 report on costs of inaction;

(d) *Welcome* the work planned for the ninth replenishment of the Global Environment Fund and encourage Governments to continue to consider ways to increase the financial resources allocated for the implementation of the Global Framework on Chemicals.

³ www.unep.org/resources/report/global-chemicals-outlook-ii-legacies-innovative-solutions.