



UCT Division of Environmental Health

CHEMICAL NETWORK

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TOPIC: Issues Related to Domestic/National Financing Chemicals and Waste Management

There is an urgent need for additional financial capacity in low and middle-income countries (LMICs) for the sound management of chemicals and waste, as chemical usage is increasing worldwide and there are over 100,000 different substances used in a wide variety of products (UNEP, 2015). The first University of Cape Town's (UCT) Chemical Network discussion of 2023 focused on issues related to domestic financing of chemicals and waste management. The intention of the discussion was to provide participants, and particularly government officials, with information and guidance to improve on or initiate chemical financing strategies and mechanisms in their countries. To view the PowerPoint presentation and other resources for this discussion, click [here](#).

KEY MESSAGES

Currently, governments are encouraged to support an integrated approach to financing chemicals and waste management through legislating national contributions generated by different legislated mechanisms. Participants felt that governments could fund chemical and waste management through fees from organisations, taxes paid from the industry, donations, and external funding. However, as chemicals and waste management are part of a government's environmental department a clear definition of the department's responsibilities needs to be outlined before allocating a specific budget for chemicals and waste management.

The Extended Producer Responsibility (EPR) is being presented as an approach to assist governments in collecting funds from waste generators and consumers. However, any government needs to regulate waste management and legislate the systems used to finance waste management in their country. Non-Governmental Organisations (NGOs) and other Intergovernmental Organisations (IGOs) who would like to contribute to managing waste should be part of the funding recipient because of their contribution to waste management.

Some participants felt that a global approach for financing chemicals and waste management is not feasible in LMICs as they face challenges with lack of financial resources and technologies to dispose of wastes. Therefore, it is encouraged that governments have clear chemicals and waste management legislations that include the lifecycle of chemicals from manufacturing to disposal, key role players, and sources of funding to support each stage of the process.

ABOUT THE PRESENTERS



Mr. Ule Johansson has a background as a lawyer and trained police officer. Over the past 32 years, Ule held different positions at The Swedish Chemicals Agency (KEMI), five years as a legal advisor, 8 years as the head of the division, and for the past 20 years, has worked as an expert in development cooperation. The work has focused on supporting governments in building institutional capacity.



Atilio Savino Atilio is a certified public accountant (CPA) with a bachelor's degree in economics and a Doctorate in Political Sciences. He is a senior consultant on solid waste management and climate change with more than thirty years of experience. He has actively been part of ISWA (International Solid Waste Association) since 1995. He is a former vice president and president of the association. At present, he is an honorary member and board member representing the LAC Regional Chapter



(Latin America and the Caribbean). He is president of ARS, Association for Solid Waste Studies, and Argentine national member of ISWA.

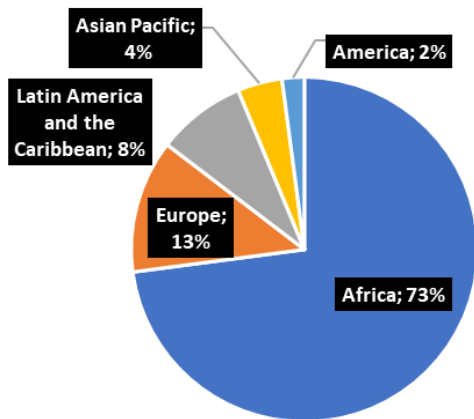
Gilbert Keupouo graduated in geology/petrology in 1994 and obtained his Doctor of Philosophy (Ph.D.)

degree in Geochemistry at the University of Kobe, Japan in 2004. After returning to Cameroon, he served as an adjunct lecturer at the University of Yaoundé 1 up to 2006. In the meantime, he co-founded the Research and Education Center for Development (CREPD), a non-profit and non-governmental organisation aiming to bridge science and action in sub-Saharan Africa.

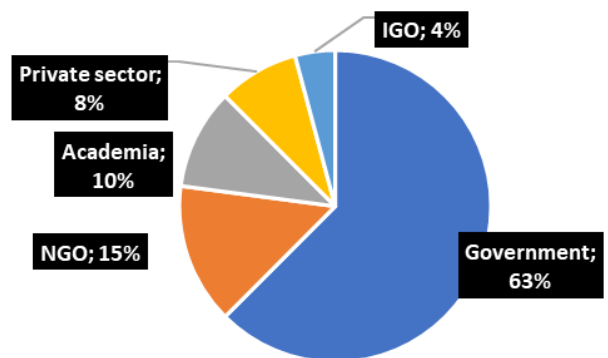
2023 DISCUSSION 1 ATTENDANCE BREAKDOWN

ATTENDEES:
48
Female – 52%
Male – 48%

REGIONAL REPRESENTATION



SECTORAL REPRESENTATION



IGO* =
Intergovernmental
Organisations
NGO* = Non-
governmental
Organisations

CONTRIBUTIONS FROM PARTICIPANTS IN THE DISCUSSION:

The discussion was structured around three questions. The key discussion points raised by participants and organized by themes or countries (although not representatives) are presented under each QUESTION:

QUESTION 1: How should the government's work with chemicals and waste be funded (e.g. taxes, fees, donors, or a combination thereof)? Are there other options?

PARTICIPANT RESPONSES

A COMBINATION OF TAXES, FEES, AND DONATIONS

- Respondents from Kenya, Uganda, and Zambia agreed that a government's work on chemicals and waste management should be funded by combining revenues from taxes, fees, and donors' contributions. It was suggested that the chemical industry should be taxed.

RESPECTIVE BUDGET ALLOCATED

- Participants from Nigeria and Madagascar stated that the government should have a clear budget line for chemicals not funded by taxes from the chemical industry. Furthermore, it was suggested that the government charge producers' fees for maintaining the chemicals and waste management administration. In addition, suggestions were made that the private sector should implement sustainable solutions to pay for and fund the government budget.

CHALLENGES TO FUNDING

- Challenges identified by respondents with sources of funding were legislative conflicts in chemicals and waste management, outsourcing services such as waste management services, and having a centralised channel for receiving all taxes and fees.

Throughout the discussion, informal polls were conducted to help encourage discussion among the participants. They do not provide any representative data but rather provide a snapshot of participants' views.

Poll 1: How is your work, institution or organisation financed? (N=13)

1. DONATIONS:

- **Nigeria:** The management of end-of-life of electrical and electronics equipment (EEE) is funded by producers of EEE in Nigeria.
- **Tanzania:** In Tanzania funding is done through the government budget and donor funds.
- **Zambia:** The Children's Environmental Health Foundation in Zambia is funded by support from the International Pollutants Elimination Network (IPEN), the World Alliance for Mercury Free Dentistry and the Clean Lighting Coalition. But funding is difficult with other donors hence it is necessary to prioritise NGO support.

- **Kenya:** Chemicals management is mainly financed through the implementation of donor-funded projects. Kenya is yet to have budgetary allocation specifically for chemicals.
- **Malawi:** In Malawi, financing is done by donors (waste management) and fees are collected by responsible agencies like the environmental department or pesticide regulatory bodies.
- **Other:** Civil society organisations like NGOs are reliant on donor funding, their work is crucial, especially at grassroots problem identification and action and for awareness raising, but this funding source is not sustainable.
- Through the government budget and donors' funds.

2. TAXES:

- **South Africa:** The source of funding for work is the government's fiscal budget, financial penalties, and very low pesticide registration costs. The Department of Forestry, Fisheries & the Environment (DFFE) is financed by taxpayers.
- **Other:** The institution is financed by fees, but there are cooperations and agreements with other actors.
- The problem with taxes is whether they will be used for the correct purpose. The same with fees and the public budget.
- Taxpayers' tax and donor funding on short-term projects.

3. FEES

- **Tanzania:** Public budget.
- **Kenya:** Most chemicals in the ministry come as drugs (medicines) and labs.
- **Other:** These are financed among/ along with other medical functions and products. For disposal they join other medical wastes. Mostly through CropLife container management schemes for pesticide waste but also through environmental legislation for chemicals.

4. COMBINATION

- **Botswana:** Botswana's public budget and international financing.
- **Mauritius:** Fees and public budget.
- **Uganda:** Chemical management is currently financed through donor funds and the government. Fees, taxes, and public budget.
- **Zambia:** Zambia taxes and fees.

QUESTION 2: What kind of system should be provided to finance waste management in your country? What should it include, at a minimum? List your country in your response.

PARTICIPANT RESPONSES:

INTEGRATED SYSTEM

- Representatives from South Africa, Tanzania and Uganda agreed there should be an integrated intergovernmental system that binds every party adhering to it to ensure they are accountable when it comes to waste management. This system needs to be supported by principles to help raise funds for waste

management such as the polluter pays principle, the EPR and donor funds and environmental taxes to help leverage the burden on the government

EXTENDED PRODUCER RESPONSIBILITY (EPR)

- Other representatives stated that the EPR is the best system to finance waste management and the polluter pays principle can be integrated through that system. It will allow holding industry and individuals accountable for the waste they produce. Respondents from Malawi, Kenya, and Nigeria added that the EPR system is being used in their countries to help manage waste including e-waste.

Poll 2: What is needed to finance the cost of waste management services in your country?

- Public Budget 39%, n=19
- Fees 27%, n=13
- Taxes 24%, n= 12
- International financing institutions 10%, n=5
- Other (listed in chatroom):
 - A transboundary approach to the chemicals waste management needs to be adopted to ensure the waste management responsibility is not transferred to another country.
 - It is important to increase the public budget to finance the cost of waste management services.

QUESTION 3: Given that low and middle-income countries (LMICs) face challenges implementing an integrated approach for financing chemicals management at a national level, including challenges with industry involvement at this level, how could an integrated approach be implemented at a global level

PARTICIPANT RESPONSES:

Representatives from Zambia, Sweden, Madagascar stated that having an integrated approach for financing management at a global level is not the best option and LMICs should have a financing scheme at a national level. However, they will need to improve in the following aspects:

- Develop and improve national EPR system to implement the polluter pays principle.
- Develop laws that define the roles of all the players in the life cycle of the chemicals including the production, transport, storage, distribution, use and disposal of chemicals and waste.
- Develop an environmental policy involving key stakeholders including traditional leaders and civil society.
- Have rigorous control and transparency at points of entry of chemicals, taxes, and fees.
- Include the cost of handling waste should be included in the price of the product.

Poll 3: What is needed to develop/improve robust national EPR to implement the polluter pays principle for chemical management (N=10)

1. CAPACITY-BUILDING/TRAINING:

- High technical capacities: training, financial support, and enforcement.
- Enforce the EPR in all industries that contribute to waste production and increase capacity building.
- In Brazil, in addition to taxes, the polluter pays concept is also used. There is a structured system, which involves the Ministry of the Environment, and its associated bodies and secretariats, encompassing the various states and municipalities. However, it is necessary to strengthen selective collection, sanitary landfills, recycling companies, companies that can convert waste into energy, etc.

Poll 3 cont.: What is needed to develop/improve robust national EPR to implement the polluter pays principle for chemical management (N=10)

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2. LEGISLATION AND ENFORCEMENT OF EXISTING LAWS.

- National agencies established by law and trusted with this mandate.
- There is a need to develop laws that define the roles of all the players in the life cycle of the chemicals. This should include the production, transport, storage, distribution, use and disposal of chemical waste.
- It is difficult to develop and improve robust national EPR to implement the polluter pays principle and legislation is the one way to improve chemicals management.

3. COMMUNICATION & COLLABORATION

- Uganda-enabling legislative framework, human resource and institutional capacity enhanced, PRO systems established, and financing sources established.
- Stakeholder mobilisation and organisation, especially industries, benchmarking from successful countries.
- As a first step, a dialogue with the private sector, and a study of various scenarios for EPR introduction and availability of international expertise needs to take place to develop an appropriate model.
- Integrated intervention (legislation, stakeholder engagement and training).
- Apart from finance and budget, there needs to be cooperation/relationship between countries for the disposal of specific waste. Because some countries do not have the technology to dispose of a special type of waste even with finance.
- Stakeholder engagement, legislative framework, training, and enforcement.
- The introduction of inspectors to identify industries that pollute is not fully enforced. Empowering this section can assist to issue directives for the polluter pays principle.

4. RESEARCH

- Undertake inventory to generate data to build the problem case for the development of an EPR system and to get government buy-in to facilitate additional financial support.

Poll 4: What role does good governance play in minimising challenges faced by countries to secure resources for chemicals management? (N=3)

- The government plays an important role in minimising the challenges faced by countries to secure resources for chemical management.
- Good governance plays a role in minimising challenges. When the chemicals are regulated properly there are fewer chemicals in the market and these chemicals will be properly managed.
- A good governance system should channel all funds from taxes, fees, and EPR generated from chemicals-related regulation towards facilitating adequate management of waste and chemicals.
- It is important to use resources for the intended purposes.

QUESTIONS (Q) FROM PARTICIPANTS AND ANSWERS (A) FROM PRESENTERS

Q: SOUTH AFRICA (ACADEMIA): Many countries would like to see programmes like the Strategic Approach to International Chemicals Management (SAICM) Quick Start Programme (QSP) or Special Programme funding. What could be the pros and cons of such a funding instrument?

A: As the name indicates the positive side of this mechanism is that it provides stakeholders with a chance to get things started or to identify what is most needed. The downside is the temporary nature of the program. Stakeholders need to identify other long-term sources (funding) for the permanent work that might be the outcome of the quick-start activities.

Q: MADAGASCAR (GOVERNMENT): Is the Target Audience/Stakeholder Model used in Argentina? What is the colour-coding meaning?

A: No, the model was created as a tool to understand how to analyse waste management financing. The intensity of the colours reflects the participation of stakeholders in the activity.

KEY RESOURCES

1. [Financing The Sound Management of Chemicals Beyond 2020: Option for a coordinated tax.](#)
2. [Domestic Financial Development in Emerging Economies Evidence and Implications.](#)
3. [KEMI, 2020. Sustainable financing of institutional Capacity.](#)
4. [UNEP, 2015. Study on Industry Involvement in the Integrated Approach to Financing the Sound Management of Chemicals and Waste.](#)
5. [UNEP, 2015. UNEP LIRA Guidance.](#)

Disclaimer: The information in this digest represents the opinions of members participating from different stakeholder groups expressed during the discussion. The views expressed in this document do not necessarily represent the opinion or the stated policy of the Swedish Chemicals Agency (KEMI) or the Division of Environmental Health (DEH) UCT, nor does citing trade names or commercial processes constitute an endorsement.

UCT Chemicals Network: The Chemicals Network is a non-partisan online forum established by the Division of Environmental Health (DEH) in the School of Public Health at the University of Cape Town (UCT). It was established as part of a knowledge management and sharing project supported by the Swedish Chemicals Agency (KEMI).

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If you have any questions or require clarification on this initiative, please contact UCT at

chemicallistserver@gmail.com

If you are not already a member, join the Chemical Network at: <https://forms.office.com/r/Lk1tgAL6DF>