

# UNEP LIRA-Guidance National Demonstration Projects

## Module 4: Financial needs

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# Introduction (1)

- ❖ Purpose of a business plan
  - **Map out the framework** for financing the strengthening of national legislation and institutional arrangements for sound management of chemicals
  - **Guide resources mobilization and allocation efforts** for sustained management of the legal and institutional infrastructures governing chemicals management
  - **Demonstrate the economic viability** of investing in the proposed developments

# Introduction (2)

## ❖ Main elements

- Approach for strengthening legislation and institutional arrangements for SMC
- Description of the proposed priority developments
- Outline of the strategy for management of institutional arrangements, including monitoring and evaluation
- **Resources mobilization strategy**

# Introduction (3)

## ❖ Key steps

- Analyze the Costs of Proposed Infrastructures
- Analyze of Funding Sources
- Develop a Resources Mobilization Strategy
- Revise the concept papers
- Final meeting of the ICM

# Objectives and Expected Outputs

## ❖ Objectives

- Define the needs and opportunities for financing the proposed developments
- Develop a strategy for mobilizing sustained funding for the infrastructures

## ❖ Expected Outputs

- A business plan, including a resources mobilization strategy for sustained financing of the infrastructures

# Analysis of the Costs (1)

- ❖ Framework
  - National methods/ protocols
  - Implementation of policy proposals
  - Allocation of public and private sectors responsibilities
  - Incremental AND operational costs
    - Costs of implementing the proposed changes
    - Costs of managing the infrastructures over time

## Analysis of the Costs (2)

- ❖ Specific costs categories for placement of chemicals on the market
  - Design of registration and licensing systems
  - Labelling and testing verification
  - Design of information management system
  - Design of enforcement system
  - Compliance promotion activities



# Analysis of the Costs (3)

## ❖ Uses

- Clarification of costs incurred by proposed infrastructures
  - Refinement of policy proposals
- Comparison of the results of detailed assessment (i.e. CBA) with costs of proposed developments
  - Build a case for investing in the proposed changes
- Matching detailed costs with financing sources and opportunities
  - Develop a realistic strategy for mobilizing required resources

# Analysis of the Funding Sources (1)

## ❖ Main sources of financing

- National
  - National budget
  - Special funds (i.e. environmental fund)
  - Private sector
- Regional and international
- Bilateral assistance
- Development banks
- Multilateral facilities

# Analysis of the Funding Sources (2)

- ❖ Key elements to consider
  - Type of source (short VS long-term)
  - Type of financing (goals, characteristics)
  - Eligibility conditions/ criteria
  - Process for obtaining funding
  - Expected amount (i.e. percentage of the needs)
  - Timeline for availability

# The Resources Mobilization Strategy (1)

## ❖ Main components

- Summary of the costs of proposed infrastructures
- Description of the main sources available
- Approach to ensure sustained financing
- Summary of the main mechanisms and tools to be used
- Detailed budget for implementation of the proposals

# The Resources Mobilization Strategy (2)

- ❖ Main mechanisms and tools
  - Project/ programme funding agreements
  - Organization of national administration for resources mobilization
  - Cost recovery measures
  - Inter-sectoral/regional cooperation arrangements (cost sharing)
  - Partnerships
  - Diversity of sources and mechanisms is key

# Thank you for your attention!

For more information:

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