



Distr.: General
17 November 2015

Original: English



**United Nations
Environment
Programme**

**Intergovernmental negotiating committee
to prepare a global legally binding instrument
on mercury
Seventh session**

Dead Sea, Jordan, 10–15 March 2016
Item 3 (b) of the provisional agenda*

**Work to prepare for the entry into force of the Minamata
Convention on Mercury and for the first meeting of the
Conference of the Parties to the Convention: matters
required by the Convention to be decided upon by the
Conference of the Parties at its first meeting**

**Report by the co-chairs of the ad hoc working group of experts
on financing established at the sixth session of the
intergovernmental negotiating committee**

Note by the secretariat

1. The Minamata Convention on Mercury defines, in its article 13, a mechanism for the provision of adequate, predictable and timely financial resources, to support developing country parties and parties with economies in transition in implementing their obligations under the Convention. The mechanism includes the Global Environment Facility Trust Fund and a specific international programme to support capacity-building and technical assistance. Regarding the latter, the Convention sets out that it will be operated under the guidance of and be accountable to the Conference of the Parties, which shall, at its first meeting, decide on its hosting institution, which shall be an existing entity, and provide guidance to it, including on its duration. In the same article, all parties and other relevant stakeholders are invited to provide financial resources to the programme, on a voluntary basis. The article also provides that, at its first meeting, the Conference of the Parties and the entities constituting the mechanism shall agree upon arrangements to give effect to the operation of the financial mechanism.

2. At its sixth session, held in Bangkok from 3 to 7 November 2014, the intergovernmental negotiating committee to prepare a global legally binding instrument on mercury established an ad hoc working group of experts on financing to conduct further work in the intersessional period. The mandate of the group was to provide input to the committee at its seventh session in implementing the decision of the Conference of Plenipotentiaries on the Minamata Convention, held in Kumamoto, Japan, on 10 and 11 October 2013, as outlined in paragraph 6 of the resolution on financial arrangements of the Final Act (UNEP(DTIE)/Hg/CONF/4, annex I), in which the committee was requested to develop for consideration by the Conference of the Parties at its first meeting a proposal for the hosting institution for the specific international programme, including any necessary arrangements with the hosting institution, as well as guidance on the operation and duration of that programme.

* UNEP(DTIE)/Hg/INC.7/1.

3. The committee elected Ms. Gillian Guthrie (Jamaica) and Mr. Greg Filyk (Canada) to serve as co-chairs of the ad hoc working group of experts, and requested them to present the required input to the committee at its seventh session in the form of a co-chairs' report on the group's work. The committee further requested the interim secretariat to invite and compile comments from the committee parties on the mandate of the ad hoc working group of experts, as well as subsequently to prepare a document outlining options for hosting institutions for the specific international programme and any necessary information available on arrangements with the hosting institutions, in order to inform the work of the ad hoc working group of experts prior to its meeting.

4. The ad hoc working group of experts met once intersessionally before the seventh session of the committee, in Sao Paulo, Brazil, from 26 to 29 October 2015, upon the invitation of the Brazilian Government and with the financial support of the Government of Germany. Eighteen experts designated by the five United Nations regional groups attended the meeting, with support provided by the Chair of the intergovernmental negotiating committee and by the secretariat. The secretariat of the Global Environment Facility (GEF) participated as an observer. A list of designated experts is available in annex II to the present note.

5. The outcome of the meeting is reproduced in annex I to the present note in the form of a co-chairs' report. The report reflects the discussions held and sets out views expressed on the hosting institution for the specific international programme, including any necessary arrangements with the hosting institution, as well as guidance on the operation and duration of that programme. The co-chairs' report is not a negotiated document. It is intended to capture elements of the meeting discussion, including areas of shared understanding.

6. The committee may wish to consider the co-chairs' report and use it as a basis to develop a proposal on the hosting institution and on draft guidance to the specific international programme to be forwarded to the Conference of the Parties at its first meeting for its consideration and possible adoption.

Annex I

Report of the co-chairs of the ad hoc working group of experts on financing established by the intergovernmental negotiating committee at its sixth session

Context

1. The ad hoc working group of experts on financing met in Sao Paulo, Brazil, from 26 to 29 October 2015 upon the kind invitation of the Brazilian Government; the meeting was organized with the support of the Stockholm Convention Regional Centre for Technical Assistance and Technology Transfer for the Latin American and Caribbean Region.
2. The mandate of the ad hoc working group of experts on financing established by the intergovernmental negotiating committee at its sixth session was to provide input to the committee at its seventh session in implementing the decision of the Conference of Plenipotentiaries, as outlined in paragraph 6 of the resolution on financial arrangements of the Final Act, namely “to develop for consideration by the Conference of the Parties at its first meeting a proposal for the hosting institution for the specific international programme, including any necessary arrangements with the hosting institution, as well as guidance on the operation and duration of that programme.”
3. The present report by the co-chairs reflects the discussions held and sets out views expressed on the hosting institution for the specific international programme, including any necessary arrangements with the hosting institution, as well as guidance on the operation and duration of that programme. The co-chairs’ report was not negotiated. It is intended to capture elements of the meeting discussion, including areas of shared understanding.

A. Hosting institution, including necessary arrangements with the hosting institution

4. At its sixth session, the committee requested the interim secretariat to prepare a document outlining options for hosting institutions for the specific international programme and any necessary information available on arrangements in relation to the hosting institutions in order to inform the work of the ad hoc group of experts prior to its meeting. The document prepared by the interim secretariat contained information on a non-exhaustive list of possible existing host institutions, namely the Global Environment Facility (GEF), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and the World Bank, including their respective mandates, functions and experience relevant to hosting the specific international programme.
5. The experts identified and discussed a number of key principles and characteristics for the selection of a host institution:
 - (a) Close relationship with and/or linkage to the Minamata Convention;
 - (b) Demonstrated interest in hosting the specific international programme;
 - (c) Complementarity with the GEF Trust Fund as the other element of the financial mechanism of the Minamata Convention;
 - (d) Efficient use of resources through structural and programmatic co-benefits with existing, relevant structures and programmes;
 - (e) Good track record as host of capacity-building and technical assistance programmes as an indicator of a successful host for the programme;
 - (f) Independent and able to meet the objective of the Minamata Convention;
 - (g) No conflict of interest;
 - (h) Flexibility and ease of access to support;
 - (i) Institutional structure that can effectively realize the objective of the programme and respond to the needs of its constituents;
 - (j) Technical, financial and administrative capacity, expertise, experience and accountability;
 - (k) Capacity to mobilize resources.

6. Informed by these principles and characteristics, and after an extensive discussion of the programme's scope, activities, eligibility and institutional arrangements, the expert group arrived at a shared understanding that UNEP would be the most suitable host institution for the specific international programme. In the context of UNEP, the experts considered a number of possible hosting arrangements under the UNEP umbrella.

7. Against that background, and to further inform discussions at the seventh session of the committee, the expert group invited the Executive Director of UNEP to prepare an information document on the options, as listed in the document on the hosting institutions for the specific international programme prepared by the interim secretariat, and related governance arrangements under UNEP as the host institution that could best serve the specific international programme based on the key principles and characteristics mentioned above. The expert group further invited the Executive Director of UNEP to take into account the experts' shared understanding regarding the guidance on the operation of the programme and to include in the document information regarding how each arrangement would contribute to achieving the objective of the specific international programme.

8. There was also a shared understanding that the other options presented in the document prepared by the interim secretariat, namely GEF, UNDP and the World Bank, do not as clearly meet the principles and characteristics identified by the experts. In arriving at this shared understanding the experts noted, in particular, that GEF is already ably supporting the Convention as the other part of its financial mechanism; and that UNDP and the World Bank do not have a sufficiently close relationship with and linkage to the Convention. Experts also made a distinction between the selection of a hosting institution and a possible future role for supporting the implementation of the Minamata Convention; in particular, it was noted that UNDP could play an important role in facilitating the implementation of the Convention in its capacity as an implementing or executing agency.

9. As for the necessary arrangements with the host institution, the expert group considered that a binding arrangement, such as a memorandum of understanding, should be developed between the Convention and the host institution, clearly defining, among other issues, the roles and responsibilities, cost-effective fees (administrative charges), accountability framework and reporting requirements

B. Guidance on the operation of the specific international programme

1. Scope and eligibility

10. Based on paragraph 6 (b) of article 13, the specific international programme is to support capacity-building and technical assistance.

11. Paragraph 5 of article 13 of the Convention describes which parties are eligible for resources under the financial mechanism, namely developing country parties and parties with economies in transition. The specific international programme should also take full account of the specific needs and special circumstances of parties that are small island developing States and least developed countries in line with paragraph 4 of article 13.

12. The expert group discussed and came up with a non-exhaustive list of activities that may be considered eligible for resources consistent with the Convention. The list was found to be helpful to collectively understand how the specific international programme would be complementary to GEF and to inform discussions on appropriate hosting institutions. The expert group decided not to present the list in the final co-chairs' summary report because even a non-exhaustive list could be limiting.

13. The group reached a common understanding on the following:

(a) The Conference of the Parties should consider adopting a programme for the implementation of the specific international programme, which could be revised as necessary. The programme would indicate areas of the Convention on which to focus during a specific period of time. This programmatic approach would be implemented through individual projects put forward by eligible parties, whereby each project would include proposed activities to deliver the scope of the specific international programme;

(b) The specific international programme should ensure complementarity and avoid duplication with other existing arrangements to provide capacity-building and technical support, in particular GEF and the Special Programme to support institutional strengthening at the national level for implementation of the Basel, Rotterdam and Stockholm conventions, the Minamata Convention and the Strategic Approach to International Chemicals Management, as well as other existing assistance frameworks;

(c) The specific international programme should build upon lessons learned and engage at the national and regional levels, including encouraging South-South cooperation;

(d) The characteristics to inform specific international programme activities could include a country-driven approach; national priorities; country ownership; and sustainable implementation of the obligations. In presenting individual projects, eligible parties may consider the possible participation of implementing and executing agencies or other actors, such as non-governmental organizations and the regional centres of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal and the Stockholm Convention on Persistent Organic Pollutants;

(e) The specific international programme should have an efficient and light structure, with flexibility and ease of access for resources.

14. There was a common understanding that non-parties would not be eligible to apply for funding, but could participate in some activities undertaken by the specific international programme upon invitation by a party, on a case-by-case basis. The group acknowledged that flexibility for non-parties was already provided for in other funding sources, such as the Special Programme for institutional strengthening, and in the provisional guidance to GEF adopted by the committee at its sixth session.

2. Sources of resources

15. In terms of sources of resources for the specific international programme, the expert group reached a common understanding as follows:

(a) Contributions of resources (including financial, in-kind and expertise) should be encouraged from a broad range of sources, and the specific international programme should be attractive to a broad range of contributors. This includes all parties to the Minamata Convention with the capacity to contribute, as well as other relevant stakeholders, including Governments, the private sector, foundations, non-governmental organizations, intergovernmental organizations, academia and other types of civil society actors;

(b) The integrated approach to financing the sound management of chemicals and waste is relevant to the implementation of the Convention;

(c) A resource mobilization strategy should be developed for achieving the objective of the Convention and attracting a broad range of donors, building on lessons learned in other areas. It should include approaches to leverage resources from non-State actors, including in-kind resources. It should follow a trust fund and non-trust fund model;

(d) Linkages with the objectives of the Minamata Convention and other existing programmes and initiatives that are already well resourced should be maximized in a systematic way, seeking co-benefits where possible;

(e) Partnerships and collaboration should be promoted and leveraged, as appropriate, to facilitate the implementation of the Convention, including building on lessons learned in other conventions.

C. Duration

16. The expert group had a discussion on the duration of the specific international programme. The expert group recognized, however, that this discussion was premature without a full understanding of the hosting arrangements and elements of the programme. Views expressed included that:

(a) The specific international programme could be time limited;

(b) Obligations in some articles of the Convention are time bound and their duration is limited, other obligations are not time limited. It was noted that duration could be linked to the obligations set out in the Convention, for example considering phase-down periods set out in the Convention for time-bound articles;

(c) The duration of the specific international programme could be unlimited.

Annex II

List of experts designated by the five United Nations regional groups to participate in the ad hoc working group of experts on financing

Africa

Mr. Adel Shafei Osman
General Director
Chemicals and Waste Department
Ministry of Environment
Egypt

Mr. Serge Molly Allo'o Allo'o
Directeur Technique
Centre National Antipollution (CNAP)
Ministère de la Forêt, de l'Environnement et
de la Protection des Ressources Naturelles
Gabon

Mr. Oludayo Dada
Policy Advisor
Newport Technologies
African Union Commission (AUC)
Nigeria

Asia and the Pacific

Mr. Sun Yangzhao
Director
Mercury Convention Implementation Division
Foreign Economic Cooperation Office
Ministry of Environmental Protection
China

Mr. Bishwanath Sinha
Joint Secretary, HSM Division
Ministry of Environment, Forest and Climate Change
India

Ms. Yuki Takahashi
Official
Global Environment Division
International Cooperation Bureau
Ministry of Foreign Affairs
Japan

Mr. Mohammed Khashashneh
Director of Hazardous Substances and
Waste Management Directorate
Ministry of Environment
Jordan

Ms. Azniza Azmi
Principal Assistant Secretary
Environmental Management and Climate
Ministry of Natural Resources and Environment
Malaysia

Central and Eastern Europe

Ms. Irma Gurguliani
Deputy Head
Waste and Chemicals Management Service
Ministry of Environment and Natural Resources
Protection
Georgia
*(Ms. Gurguliani could not participate in the meeting of
the ad hoc expert working group)*

Ms. Daina Ozola
Head of Division
Environmental Protection Department
Pollution Prevention Division
Ministry of Environmental Protection and Regional
Development
Latvia

Latin America and the Caribbean

Mr. Alberto Santos Capra
Subsecretaría de Control y Fiscalización Ambiental y
Prevención de la Contaminación
Punto de Contacto Técnico del Convenio de Basilea
Argentina

Mr. Felipe Ferreira
First Secretary
Division of Climate Change, Ozone and Chemical
Safety
Ministry of External Relations
Brazil

Ms. Yadira González Columbié
International Affairs Department
Ministry of Science, Technology and Environment
Cuba

Western European and other States

Mr. Jorge Peydro Aznar
Lead Negotiator – European Union
DG Environment
European Commission

Ms. Simone Irsfeld
Deputy Head of Division IG II 3
Federal Ministry of Environment, Nature
Conservation, Building and Nuclear Safety (BMUB)
Germany

Mr. Reginald Hernaes
Lead Negotiator Chemicals and Wastes
Department for International Affairs
Ministry of Infrastructure and the Environment
Netherlands

Ms. Johanna Lissinger-Peitz
Deputy Director
Division for Climate
Ministry of Environment and Energy
Sweden

Ms. Sezaneh M. Seymour
Chief, Air Pollution, Chemicals, and Waste
Office of Environmental Quality and Transboundary
Issues, Department of State
United States of America

Ms. Gabriela Eigenmann
Senior Policy Advisor
International Affairs Division
Federal Office for the Environment
Switzerland
