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## United Nations Environment Programme

**Conference of the Parties to the  
Minamata Convention on Mercury  
Second meeting**  
Geneva, 19–23 November 2018  
Item 6 of the provisional agenda\*  
**Programme of work and budget**

### **Update on the programme of work and budget for the biennium 2018–2019**

#### **Note by the secretariat**

#### **I. Introduction**

1. The period 2018–2019 marks the first biennium of work for the Minamata Convention on Mercury. In decision MC-1/15, on the programme of work of the secretariat and proposed budget for the biennium 2018–2019, the Conference of the Parties set out the mandate for the implementation of the programme of work. In decision MC-1/11, on the secretariat, the Conference of the Parties requested the Executive Director of the United Nations Environment Programme to perform the secretariat functions initially through a secretariat of the Minamata Convention located in Geneva.
2. In decision MC-1/15, the Conference of the Parties also requested the Executive Secretary to provide, at the second meeting of the Conference of the Parties, an update on the implementation of the programme of work and, where relevant, cost estimates for actions with budgetary implications that were not foreseen in the first programme of work but were included in draft decisions and therefore had budgetary implications for the first biennium, before those decisions were adopted by the Conference of the Parties.
3. Accordingly, section II of the present note describes the execution of the budget of the Minamata Convention during 2018; section III provides an update on the approved budget for 2019; section IV describes financial issues relevant to the effective implementation of the Convention; and section V presents relevant suggested action by the Conference of the Parties. Annex I to the present note sets out a draft decision on an update on the programme of work and budget for the biennium 2018–2019, annex II sets out the indicative scale of assessment for the General Trust Fund for 2019; and annex III contains the organizational chart for the secretariat.
4. The present note should be read in conjunction with the report on the activities of the secretariat in 2018 (UNEP/MC/COP.2/17, annex), and the programme of work and budget detail sheet (UNEP/MC/COP.2/INF/9, annex), setting out the details of the revised budget proposed for 2019.

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\* UNEP/MC/COP.2/1.

## **II. Execution of the budget of the Minamata Convention during 2018**

### **A. Overview of budget follow-up after the first meeting of the Conference of the Parties**

5. Pursuant to decision MC-1/15, the Executive Director of the United Nations Environment Programme established three trust funds supporting the work of the Convention:

(a) The General Trust Fund of the Minamata Convention on Mercury, to provide financial support for the work of the Convention secretariat, with an expiry date of 31 December 2035;

(b) The Special Trust Fund of the Minamata Convention on Mercury, to support the capacity-building and technical assistance activities of the Secretariat in accordance with article 14, with an expiry date of 31 December 2035;

(c) The Specific Trust Fund of the Minamata Convention on Mercury for the Specific International Programme to Support Capacity-Building and Technical Assistance in accordance with article 13. As the Specific International Programme is time-limited, this trust fund's expiry date is set for 31 December 2028.

6. At its first meeting, the Conference of the Parties approved a budget for the General Trust Fund of \$3,916,524 for 2018 and \$3,843,074 for 2019 and authorized the Executive Secretary of the Minamata Convention to make commitments in an amount up to the approved operational budget, drawing upon available cash resources. It also agreed to funding estimates of \$3,192,250 for 2018 and \$3,565,150 for 2019 for the Special Trust Fund. Furthermore, it welcomed the annual contribution of 1 million Swiss francs by the Government of Switzerland, the host country of the secretariat, to be apportioned 60 per cent to the General Trust Fund and 40 per cent to the Special Trust Fund for 2018, 2019 and thereafter.

7. Rule 6 of the financial rules for the Conference of the Parties to the Minamata Convention on Mercury, its subsidiary bodies and the secretariat of the Convention (hereinafter the financial rules), adopted by the Conference of the Parties in its decision MC-1/10, states that an interim statement of accounts for the financial period is to be provided to the Conference of the Parties, with a final audited statement of accounts for the full financial period to be provided to the Conference of the Parties as soon as possible after the accounts for the financial period are closed. As the trust funds of the Minamata Convention were created effective 1 January 2018 and the budget came into effect on 1 January 2018, there are no transactions to reflect for the previous year.

### **B. Status of the General Trust Fund as at 31 August 2018**

8. All parties to the Minamata Convention on Mercury contribute to the General Trust Fund on the basis of an indicative scale adopted by consensus by the Conference of the Parties. The indicative scale is based on the scale of assessment of the United Nations adopted by the General Assembly. As stipulated in the financial rules, no party contributes less than 0.01 per cent of the total, no contribution exceeds 22 per cent of the total and no contribution from a least developed country party exceeds 0.01 per cent of the total.

9. Following the attribution of 60 per cent of the host country contribution to the General Trust Fund, the remainder was apportioned according to the indicative scale of assessment for the allocation of expenses of the Minamata Convention for 2018 to the 83 parties to the Convention as at 1 January 2018.

10. In keeping with the Financial Regulations and Rules of the United Nations, in decision MC-1/15, the Conference of the Parties authorized the Executive Secretary to adjust the scale to include all parties for which the Convention entered into force before 1 January 2018 for 2018 and before 1 January 2019 for 2019.

11. Pursuant to paragraph 5 of rule 5 of the financial rules, contributions made by States that become parties to the Convention after the beginning of a financial period are to be made pro rata temporis for the balance of that financial period, with consequent adjustments made at the end of each financial year for the other parties.

12. At 31 August 2018, contributions to the General Trust Fund amounted to \$2,768,264, representing contributions received from 32 parties and 72 per cent of the overall contributions expected. This total includes Switzerland's contribution of 60 per cent of one million Swiss francs, or \$599,640.

13. Contributions to the General Trust Fund were expected to be made by 1 January 2018, promptly and in full, in keeping with paragraph 3 of financial rule 5. Unpaid contributions are to be received by 31 December 2018 at the latest.

14. No contributions to the General Trust Fund have been received from States that are not parties to the Convention or from other governmental, intergovernmental or non-governmental organizations or other sources.

15. A detailed table of the status of contributions to the General Trust Fund for 2018 will be available at the close of fiscal year 2018 and will form part of the budget documentation for the third meeting of the Conference of the Parties.

### **C. Status of the Special Trust Fund as at 31 August 2018**

16. In line with rule 4 of the financial rules, the Special Trust Fund receives contributions from parties and non-parties to the Convention and others with capacity to do so to support the activities of the Minamata Convention secretariat in accordance with article 14 of the Convention, as well as to support the participation of representatives of developing-country parties, in particular least developed countries and small island developing States, and representatives of parties with economies in transition in the meetings of the Conference of the Parties and its subsidiary bodies.

17. It should be noted that in the annex to the financial rules, the head of the secretariat is invited to liaise with the Executive Director of the United Nations Environment Programme with a view to ensuring a waiver of the programme support costs on contributions to the Special Trust Fund for the participation of representatives from developing countries and countries with economies in transition, with the understanding that the additional money secured will be used to enhance the representation of eligible parties.

18. Further, in accordance with rules 4 and 5 of the financial rules, Switzerland's host country contribution to the Special Trust Fund is to be prioritized for the participation of representatives of developing-country parties, in particular least developed countries and small island developing States, and representatives of parties with economies in transition, in the meetings of the Conference of the Parties and its subsidiary bodies.

19. The contribution by Switzerland to the Special Trust Fund, being 40 per cent of the host country contribution, was received and amounted to \$399,760.

20. As at 31 August 2018, pledges to the Special Trust Fund amounted to \$1,851,156. In addition to the host country contribution, pledges were received from Austria, the European Union, Finland, France, Japan, Norway, the Philippines, Sweden and Switzerland.

21. A detailed table of the status of contributions to the Special Trust Fund for 2018 will be available at the close of fiscal year 2018 and will form part of the budget documentation for the third meeting of the Conference of the Parties.

### **D. Status of the Specific Trust Fund as at 31 August 2018**

22. As stated in annex I to decision MC-1/6, contributions to the Specific Trust Fund are encouraged from a broad range of sources, including 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.

23. As at 31 August 2018, pledges to the Specific Trust Fund amounted to \$1,281,448. Contributions were pledged by Austria, Denmark, Germany, the Netherlands, Norway, Sweden, the United Kingdom of Great Britain and Northern Ireland and the United States of America.

24. As at 31 August 2018, Switzerland's contribution of 1 million Swiss francs for the Specific International Programme had been received and was being held in trust pending the outcome of the second meeting of the Conference of the Parties regarding the arrangements for the Minamata Convention secretariat.

25. Contributions to the Specific Trust Fund will be programmed for country-led projects following project selection by the Governing Board of the Specific International Programme. The Specific Trust Fund also covers all costs associated with the meetings and work of the Governing Board and the Specific International Programme (except staff costs).

26. More information on the Specific International Programme is set out in document UNEP/MC/COP.2/9.

## E. Implementation of the programme of work and budget for 2018

27. Pursuant to decisions MC-1/15 and MC-1/11, the secretariat proceeded to implement the programme of work and execute the budget of the Minamata Convention for 2018 as set out below. It should be noted that the present note was prepared as at end August 2018, only eight months into the first programme of work of the Convention.

### 1. Staffing of the Minamata Convention secretariat in 2018

28. In decision MC-1/15, the Conference of the Parties approved the following indicative staffing table for the 2018–2019 biennium based on Geneva standard post costs:

Table 1

#### Indicative staffing requirements for the Minamata Convention secretariat in Geneva

(in United States dollars)

<i>Minamata Convention secretariat – Geneva</i>			
Staff post	Number of posts	Geneva standard post costs	Total
D-1 Executive Secretary	1	290 100	290 100
P-5 Coordination and policy	1	257 150	257 150
P-4 Science and technology	1	221 150	221 150
P-4 Capacity-building and technical assistance	1	221 150	221 150
P-3 Communication and knowledge management	1	182 900	182 900
P-3 Legal/Programme Officer	1	182 900	182 900
GS Programme assistance	4	143 900	575 600
<b>Total</b>	<b>10</b>		<b>1 930 950</b>

*Note:* In addition to the staff indicated above, the posts of one P-3 and one General Service staff member will be funded from programme support costs.

29. As at 31 August 2018, the following posts were encumbered: D-1 Executive Secretary, P-5 Coordination and policy, P-3 Legal/Programme Officer and one General Service programme assistance. The P-4 Science and technology post was encumbered until early August. The P-4 Capacity-building and technical assistance, the P-3 Communication and knowledge management and three General Service Programme assistance posts were unencumbered as well as the P-4 Science and technology post as of early August. Recruitment is presently under way to fill the unencumbered posts.

30. Recruitment is also under way for the two posts to be funded through programme support costs for administrative support (a P-3 administrative officer and a G-5 finance assistant).

31. To fill the gap in administrative assistance in the run-up to the second meeting of the Conference of the Parties, the secretariat drew on the support of the Corporate Services Division of the United Nations Environment Programme, hired temporary administrative assistance and is receiving support, on a reimbursable basis, from the secretariat of the Basel, Rotterdam and Stockholm conventions for the organization of the travel of participants from certain United Nations regions to the second meeting of the Conference of the Parties.

32. In addition to the posts of the indicative staffing table approved by the Conference of the Parties, a senior programme officer post (P-5) for scientific support has been funded by Japan through earmarked contributions to the Special Trust Fund.

33. Annex III to the present note sets out the organizational chart for the secretariat of the Minamata Convention.

### 2. Activities of the Minamata Convention secretariat in 2018

34. Table 2 shows the 2018 budget approved by the Conference of the Parties for activities of the secretariat, as well as the projected expenditures for 2018. The report on the activities of the secretariat in 2018 is set out in document UNEP/MC/COP.2/17.

Table 2

**Budget approved by the Conference of the Parties for 2018 activities included in the programme of work of the Minamata Convention for the biennium 2018–2019 and projected expenditures for 2018, for the General Trust Fund and the Special Trust Fund**

(United States dollars)

	<i>Approved budget for 2018</i>		<i>Projected expenditures for 2018</i>	
	<i>General Trust Fund</i>	<i>Special Trust Fund</i>	<i>General Trust Fund</i>	<i>Special Trust Fund</i>
<b>A. Conferences and meetings</b>				
<b>1. Second meeting of the Conference of the Parties</b>				
1.1. Second meeting	840 000	640 000	840 000	414 760
1.2. Regional preparatory meetings		535 000		431 178
1.3. Intersessional time-based expert groups mandated by the Conference of the Parties at its first and second meetings	105 000		75 000	
<b>Subtotal</b>	<b>945 000</b>	<b>1 175 000</b>	<b>915 000</b>	<b>845 938</b>
<b>2. Third meeting of the Conference of the Parties</b>				
2.1. Third meeting				
2.2. Regional preparatory meetings				
<b>Subtotal</b>				
<b>3. Bureau of the Conference of the Parties</b>				
3.1. Meetings of the Bureau	25 000		25 000	–
<b>Subtotal</b>	<b>25 000</b>	<b>-</b>	<b>25 000</b>	<b>-</b>
<b>4. Implementation and Compliance Committee</b>				
4.1. Meeting of the Committee	30 000		30 000	
<b>Subtotal</b>	<b>30 000</b>		<b>30 000</b>	
<b>Total (A)</b>	<b>1 000 000</b>	<b>1 175 000</b>	<b>970 000</b>	<b>845 938</b>
<b>B. Capacity-building and technical assistance</b>				
<b>5. Capacity-building and technical assistance programme of the Minamata Convention</b>				
5.1. Cross-cutting activities		300 000		
5.2. Impact assessment				
5.3. Tools and methodologies		50 000		
5.4. Needs assessment				
5.5. Specific capacity development activities		500 000		
5.6. Capacity-building activities on request		800 000		11 640
<b>Total (B)</b>	<b>-</b>	<b>1 650 000</b>	<b>-</b>	<b>11 640</b>
<b>C. Scientific and technical activities</b>				
<b>6. Scientific support to the States parties to the Minamata Convention</b>				
6.1. Scientific support to the States parties to the Convention				162 000
<b>Subtotal</b>				<b>162 000</b>
<b>7. Effectiveness evaluation and global monitoring plan</b>				
7.1. Effectiveness evaluation and global monitoring plan				
<b>Subtotal</b>				
<b>8. National reporting under the Minamata Convention</b>				
8.1. National reporting under the Minamata Convention	30 000			
<b>Subtotal</b>	<b>30 000</b>			
<b>Total (C)</b>	<b>30 000</b>			<b>162 000</b>

	Approved budget for 2018		Projected expenditures for 2018	
	General Trust Fund	Special Trust Fund	General Trust Fund	Special Trust Fund
<b>D. Knowledge and information management, and outreach</b>				
<b>9. Publications</b>				
9.1. Publications	30 000		30 000	
<b>Subtotal</b>	<b>30 000</b>		<b>30 000</b>	
<b>10. Communication, outreach and public awareness</b>				
10.1. Communication, outreach and public awareness	100 000			
<b>Subtotal</b>	<b>100 000</b>			
<b>Total (D)</b>	<b>130 000</b>	<b>-</b>	<b>30 000</b>	
<b>E. Overall management</b>				
<b>11. Executive direction and management</b>				
11.1. Overall management	1 930 950		1 110 000	
11.2. Staff travel	150 000		120 000	
<b>Subtotal</b>	<b>2 080 950</b>	<b>-</b>	<b>1 230 000</b>	
<b>12. International cooperation and coordination</b>				
12.1. Cooperation on the broader sustainable development and environment agenda				
12.2. Cooperation within the chemicals and waste cluster				
12.3. Other cooperation and coordination				
<b>Subtotal</b>				
<b>13. Financial resources and mechanism</b>				
13.1. Financial mechanism				
13.2. Financial resources				
<b>Subtotal</b>				
<b>Total (E)</b>	<b>2 080 950</b>		<b>1 230 000</b>	
<b>F. Legal and policy activities</b>				
<b>14. Legal and policy activities</b>				
14.1. Legal and policy activities			-	
<b>Total (F)</b>			<b>-</b>	
<b>G. Office maintenance and services</b>				
<b>15. Office maintenance and services</b>				
15.1. Office maintenance and services	160 000		120 000	
<b>Subtotal</b>	<b>160 000</b>		<b>120 000</b>	
<b>16. Information technology services</b>				
16.1. Information technology services	65 000		50 000	
<b>Subtotal</b>	<b>65 000</b>		<b>50 000</b>	
<b>Total (G)</b>	<b>225 000</b>		<b>70 000</b>	
<b>Resources required for all activities</b>				
<b>Total (A to G), excluding programme support costs</b>	<b>3 465 950</b>	<b>2 825 000</b>	<b>2 400 000</b>	<b>1 019 578</b>
Programme support costs	450 574	367 250	312 000	132 545
<b>Total (A to G), including programme support costs</b>	<b>3 916 524</b>	<b>3 192 250</b>	<b>2 712 000</b>	<b>1 152 123</b>
<b>Total resources for 2018</b>	<b>7 108 774</b>		<b>3 864 123</b>	

35. The differences between the approved budget and projected expenditures for 2018 for the General Trust Fund reflect the following changes:

- (a) Under A: Conferences and meetings: Owing to savings in travel and venue costs, the secretariat spent \$75,000 on the intersessional expert group on effectiveness rather than the \$105,000 budgeted;
- (b) Under C: Scientific and technical activities: For work on national reporting, the amount initially foreseen for 2018 remains unspent. The secretariat will commence its work in that regard as soon as the post on communication and knowledge management is filled. All direct costs are deferred to 2019;
- (c) Under D: Knowledge and information management, and outreach: While the secretariat has undertaken and maintained basic knowledge and information management and outreach activities, the activities initially foreseen for 2018 in the area of communication, outreach and public awareness will only take place once recruitment process for the communication and knowledge management post has been completed. The related costs are therefore deferred to 2019;
- (d) Under E: Overall management: As some posts are still under recruitment, the projected expenditure of \$1,110,000 for staff costs is lower than the \$1,930,950 budgeted. Furthermore, as all posts are not yet filled, the secretariat anticipates savings on staff travel for 2018;
- (e) Under G: Office maintenance and services: The secretariat has fully set up its new premises. Savings for 2018 are mostly attributable to ongoing vacancies in secretariat staff posts.

36. The differences seen above between the agreed budget and projected expenditures for 2018 for the Special Trust Fund reflect the following changes:

- (a) Under A: Conferences and meetings: Of the \$640,000 budgeted to support participant travel to attend the second meeting of the Conference of the Parties, only \$414,760 had been pledged/received as at 31 August 2018 from Finland, Sweden and Switzerland (host country contribution). The secretariat is continuing to fundraise to enable participation at the second meeting of the Conference of the Parties. Of the \$535,000 budgeted for regional preparatory meetings, only \$431,178 was pledged/received from Austria, Japan, Sweden and Switzerland. As a result, the secretariat arranged two-day regional preparatory meetings in all the regions rather than the longer meetings initially planned;
- (b) Under B: Capacity-building and technical assistance: During 2018, the secretariat engaged in fundraising to fund the foreseen activities. The secretariat is pleased to note that the European Union made a substantial pledge in July 2018, and that France, Norway and the Philippines also made pledges. While limited activities are expected to be implemented before the end of 2018, full implementation can only commence once the post on technical assistance and capacity-building has been filled. Consequently, the bulk of the expenditures will only be incurred in 2019;
- (c) Under C: Scientific and technical activities: No resources were initially allocated for this budget element; however, the secretariat is pleased to note that owing to a substantial pledge from Japan, the secretariat had additional support for scientific and technical assistance.

### 3. Projected income and expenditures of the Minamata Convention for 2018

37. Table 3 provides a summary of the projected income and expenditures of the three trust funds of the Minamata Convention for 2018.

Table 3

#### Projected income and expenditures for the trust funds of the Minamata Convention for 2018

(United States dollars)

Trust fund	Projected income	Projected expenditures	Projected year-end balance
General Trust Fund	4 329 045	2 926 700	1 402 345
Special Trust Fund	1 851 156	1 152 123	699 033
Specific Trust Fund	1 281 449	550 000	731 449

38. The above figures for the General Trust Fund and the Special Trust Fund include programme support resources.

39. Once the Governing Board of the Specific International Programme has met in October 2018 to review and decide upon submissions to the first round of applications,<sup>1</sup> the successful applicant countries will enter into legal agreements with the United Nations Environment Programme. Some of the funding agreements for project implementation are expected to be concluded during the last quarter of 2018. Once the administrative modalities have been put in place, it is expected that about \$500,000 will be disbursed by the end of 2018, with the balance disbursed to the remainder of the successful projects in 2019. The terms of reference of the Specific International Programme, as contained in annex II to decision MC-1/6, also provide for the costs related to the operation of the programme, including the costs of meetings, to be funded from the contributions to the programme. Such costs are expected to amount to \$50,000 by the end of 2018. These costs exclude staff costs.

### III. Update on the approved budget for 2019

40. In accordance with decision MC-1/15, the Executive Secretary is to provide an update on the programme of work and implementation and, where relevant, cost estimates for actions with budgetary implications that were not foreseen in the first programme of work but are included in proposed draft decisions and therefore have budgetary implications for this first biennium, before those decisions are adopted by the Conference of the Parties.

41. Table 4 below shows the budget that the Conference of the Parties approved for 2019 at its first meeting, for both the General Trust Fund and the Special Trust Fund, as well as the updated estimates for 2019 for both funds.

Table 4

**Budget approved by the Conference of the Parties for 2019 for both the General Trust Fund and the Special Trust Fund and updated 2019 estimates for approval by the Conference of the Parties at its second meeting**

(United States dollars)

	<i>Budget approved for 2019</i>		<i>Updated estimates for approval by the Conference of the Parties at its second meeting</i>	
	<i>General Trust Fund</i>	<i>Special Trust Fund</i>	<i>General Trust Fund</i>	<i>Special Trust Fund</i>
<b>A. Conferences and meetings</b>				
<b>1. Second meeting of the Conference of the Parties</b>				
1.1. Second meeting				
1.2. Regional preparatory meetings				
1.3. Intersessional time-based expert groups mandated by the Conference of the Parties at its first and second meetings	105 000		170 000	
<b>Subtotal</b>	<b>105 000</b>		<b>170 000</b>	
<b>2. Third meeting of the Conference of the Parties</b>				
2.1. Third meeting	840 000	640 000	840 000	640 000
2.1. Regional preparatory meetings		535 000		535 000
<b>Subtotal</b>	<b>840 000</b>	<b>1 175 000</b>	<b>840 000</b>	<b>1 175 000</b>
<b>3. Bureau of the Conference of the Parties</b>				
3.1. Meetings of the Bureau	25 000		50 000	
<b>Subtotal</b>	<b>25 000</b>		<b>50 000</b>	
<b>4. Implementation and Compliance Committee</b>				
4.1. Meeting of the Committee	30 000		50 000	
<b>Subtotal</b>	<b>30 000</b>		<b>50 000</b>	
<b>Total (A)</b>	<b>1 000 000</b>	<b>1 175 000</b>	<b>1 110 000</b>	<b>1 175 000</b>

<sup>1</sup> The first meeting of the Governing Board of the Specific International Programme took place in Geneva on 15 and 16 May 2018. The first round of applications to the Specific International Programme was launched on 5 June 2018 and closed on 31 August 2018. The second meeting of the Governing Board will be held in Oslo on 2 and 3 October 2018.



	<i>Budget approved for 2019</i>		<i>Updated estimates for approval by the Conference of the Parties at its second meeting</i>	
	<i>General Trust Fund</i>	<i>Special Trust Fund</i>	<i>General Trust Fund</i>	<i>Special Trust Fund</i>
<b>B. Capacity-building and technical assistance</b>				
<b>5. Capacity-building and technical assistance programme of the Minamata Convention</b>				
5.1. Cross-cutting activities		360 000		360 000
5.2. Impact assessment				
5.3. Tools and methodologies		60 000		60 000
5.4. Needs assessment				
5.6. Specific capacity development activities		600 000		600 000
5.7. Capacity-building activities on request		960 000		960 000
<b>Total (B)</b>		<b>1 980 000</b>		<b>1 980 000</b>
<b>C. Scientific and technical activities</b>				
<b>6. Scientific support to the States parties to the Minamata Convention</b>				
6.1. Scientific support to the States parties to the Convention				238 000
<b>Subtotal</b>				<b>238 000</b>
<b>7. Effectiveness evaluation and global monitoring plan</b>				
7.1. Effectiveness evaluation and global monitoring plan				
<b>Subtotal</b>				
<b>8. National reporting under the Minamata Convention</b>				
8.1. National reporting under the Minamata Convention		30 000		30 000
<b>Subtotal</b>		<b>30 000</b>		<b>30 000</b>
<b>Total (C)</b>		<b>30 000</b>		<b>30 000 238 000</b>
<b>D. Knowledge and information management, and outreach</b>				
<b>9. Publications</b>				
9.1. Publications		30 000		30 000
<b>Subtotal</b>		<b>30 000</b>		<b>30 000</b>
<b>10. Communication, outreach and public awareness</b>				
10.1. Communication, outreach and public awareness		50 000		150 000
<b>Subtotal</b>		<b>50 000</b>		<b>150 000</b>
<b>Total (D)</b>		<b>80 000</b>		<b>180 000</b>
<b>E. Overall management</b>				
<b>11. Executive direction and management</b>				
11.1. Overall management		1 930 950		1 930 950
11.2. Staff travel		150 000		150 000
<b>Subtotal</b>		<b>2 080 950</b>		<b>2 080 950</b>
<b>12. International cooperation and coordination</b>				
12.1. Cooperation on the broader sustainable development and environment agenda				
12.2. Cooperation within the chemicals and waste cluster				
12.3. Other cooperation and coordination				
<b>Subtotal</b>				

	Budget approved for 2019		Updated estimates for approval by the Conference of the Parties at its second meeting	
	General Trust Fund	Special Trust Fund	General Trust Fund	Special Trust Fund
<b>13. Financial resources and mechanism</b>				
13.1. Financial mechanism				
13.2. Financial resources				
<b>Subtotal</b>				
<b>Total (E)</b>	<b>2 080 950</b>		<b>2 080 950</b>	
<b>F. Legal and policy activities</b>				
<b>14. Legal and policy activities</b>				
14.1. Legal and policy activities			150 000	
<b>Total (F)</b>			<b>150 000</b>	
<b>G. Office maintenance and services</b>				
<b>15. Office maintenance and services</b>				
15.1. Office maintenance and services	160 000		160 000	
<b>Subtotal</b>	<b>160 000</b>		<b>160 000</b>	
<b>16. Information technology services</b>				
16.1. Information technology services	50 000		50 000	
<b>Subtotal</b>	<b>50 000</b>		<b>50 000</b>	
<b>Total (G)</b>	<b>210 000</b>		<b>210 000</b>	
<b>Resources required for all activities</b>				
<b>Total (A to G), excluding programme support costs</b>	<b>3 400 950</b>	<b>3 155 000</b>	<b>3 760 950</b>	<b>3 393 000</b>
Programme support costs	442 124	410 150	488 224	441 090
<b>Total (A to G), including programme support costs</b>	<b>3 843 074</b>	<b>3 565 150</b>	<b>4 249 874</b>	<b>3 834 090</b>
<b>2018 Savings applied</b>			<b>406 800</b>	
<b>Total 2019</b>	<b>3 843 074</b>	<b>3 565 150</b>	<b>3 843 074</b>	<b>3 834 090</b>
<b>Total resources for 2019</b>	<b>7 408 224</b>		<b>7 677 164</b>	

42. The differences seen above between the approved budget and the updated estimates for 2019 for the General Trust Fund reflect the following changes:

(a) Under A: Conferences and meetings: The approved 2019 budget allows for one intersessional meeting of experts. Following preparations for the second meeting of the Conference of the Parties, the secretariat now expects two intersessional meetings of experts to be convened in 2019: an ad hoc expert group meeting on effectiveness evaluation (see UNEP/MC/COP.2/13) and a meeting of the open-ended process on waste thresholds (see UNEP/MC/COP.2/6). The budget has therefore been updated to \$170,000 to cover two meetings at \$85,000 each;

(b) For the Bureau, the approved budget for 2019 allows for one meeting following the second meeting of the Conference of the Parties, but the secretariat now expects two meetings to be necessary, and the budget has therefore been updated to \$50,000;

(c) For the Implementation and Compliance Committee, the approved 2019 budget allows for one meeting; however, taking into account the discussions held and plans made by the committee during the committee's first meeting,<sup>2</sup> the secretariat now anticipates two meetings. The budget has therefore been updated to \$50,000;

<sup>2</sup> The first meeting of the Implementation and Compliance Committee was held in Geneva on 29 and 30 May 2018.

(d) With respect to budget item A, the Conference of the Parties is invited to approve the attribution of savings in direct conference costs to supporting developing countries and countries with economies in transition that are in the process of ratification or accession, or in the process of adopting and implementing guidelines and other guidance documents adopted by the Conference of the Parties, even if they are not yet parties to the Convention;

(e) Under D: Knowledge and information management, and outreach: The 2019 approved budget allows \$50,000 for these activities. The activities foreseen for 2018, budgeted at \$100,000, have not yet commenced, however, as the relevant posts have not yet been filled. Recruitment is expected to be completed by 2019, and the activities planned for 2018 have therefore been deferred to 2019. Consequently, the 2019 budget has been increased to \$150,000;

(f) Under F: Legal and policy activities: As the Convention is new and the aim is to achieve universal membership – with a number of countries currently preparing for ratification or accession – and also to enable access to funding for implementation, the secretariat is seeking the agreement of the Conference of the Parties at this early stage to spend \$150,000 in 2019 on support for the ratification and accession processes, and for the adoption and implementation of the guidelines and other guidance documents adopted by the Conference of the Parties, including for countries that are in the process of becoming parties but have already started work on such adoption and implementation.

43. As reflected in numerical terms in the table above under C, the inclusion of \$238,000 for 2019 for the Special Trust Fund for scientific and technical activities is funded through a contribution made by Japan.

44. The secretariat has produced a programme of work and budget detail sheet that provides more information on the work planned for 2019, including the mandate, activities and outputs, costs associated with specific activities and staff time per budget element. The sheet can be found in the annex to document UNEP/MC/COP.2/INF/9.

45. The secretariat anticipates that the savings realized in 2018 will cover the additional activities reflected in the updated cost estimates for 2019, which will therefore not require additional funds from parties in their contribution to the General Trust Fund for 2019.

46. The indicative scale of assessment for contributions to the General Trust Fund required for 2019 is contained in annex II to the present note.<sup>3</sup>

#### **IV. Financial issues for effective implementation**

47. For the effective implementation of the work of the Minamata Convention secretariat, the following issues are also brought to the attention of the Conference of the Parties:

48. First, on the matter of the International Public Sector and Accounting Standards (IPSAS): The United Nations, and thus the United Nations Environment Programme, adopted IPSAS effective 1 January 2014. Umoja, the enterprise resource planning system deployed in June 2015, is designed to support IPSAS compliance. In this regard, Umoja enforces a stringent liquidity management regime that applies to both assessed and voluntary contributions. Funds may only be disbursed once they are available as cash on hand. Implementation is therefore directly linked to the receipt of cash against pledged contributions. The operations of the secretariat of the Minamata Convention adhere fully to IPSAS requirements. To date, the secretariat's operations have been greatly assisted by the early availability of cash resources in 2018. The Conference of the Parties will need to continue to carefully note both the level of contributions and their timing to ensure the effective functioning of the secretariat.

49. Second, on the matter of the working capital reserve of the Convention: The United Nations Board of Auditors has recommended that all multilateral environmental agreements, conventions and regional seas convention programmes establish a funded operative reserve (working capital reserve) of 15 per cent to cushion uneven cash flow and unanticipated programme budget fluctuations. In adopting the financial rules for the Convention, the Conference of the Parties decided to maintain such a reserve within the General Trust fund, as provided for in paragraph 2 of rule 4. In paragraph 4 of decision MC-1/15, the Conference of the Parties decided to begin to build the working capital reserve to reach 15 per cent of the annual average of the biennial operational budget by 2021, and set 7.5 per cent as the target for the biennium 2018–2019. Owing to the substantial contributions received in the General Trust Fund and the savings arising from lower-than-expected expenditures on secretariat staff posts, the secretariat is pleased

<sup>3</sup> The scale of assessments used for the table of contributions to the General Trust Fund follows paragraph 1 of rule 5 of the financial rules, and is based on the United Nations scale of assessment for 2016–2018, which was adopted by the General Assembly in its resolution 70/245. The scale of assessments has been adjusted to take account of the fact that not all States Members of the United Nations are parties to the Convention.

to note that the full amount required for the working capital reserve for the Convention has already been reached. For 2018, the working capital reserve is \$587,479, which represents 15 per cent of the annual average of the biennial operational budget. No additional funds are required at present for the reserve. The Conference of the Parties will need to continue to monitor the level of the working capital reserve relative to the approved budget of the General Trust Fund over the next bienniums to maintain the reserve at 15 per cent.

50. Third, on the matter of programme support resources: In accordance with the relevant General Assembly resolutions, a charge of 13 per cent for programme support costs is payable to the United Nations to cover the incremental costs incurred when supporting activities financed by contributions. In line with standard practice on the use of the programme support resources, the United Nations Environment Programme will provide an annual allocation to the Convention to help cover the cost of support services. The Convention will benefit from the allocation in the year after the funds are generated. It is estimated that the programme support resources allocated to the Convention will cover the cost of the administrative officer (P-3) and a finance assistant (General Service staff). The administrative officer will provide administration, fund management, financial services and logistical support to the secretariat. It should be noted that programme support costs will be waived on funds raised for the participation of delegates from developing countries and countries with economies in transition.

## **V. Suggested action**

51. In the light of decision MC-1/15 and after considering the information set out in the present note and the additional information provided in the programme of work and budget detail sheet (UNEP/MC/COP.2/INF/9), the Conference of the Parties may wish to consider a decision along the lines of the draft decision set out in annex I to the present note.

## Annex I

### Draft decision MC-2[XX]: Update on the programme of work and budget for the biennium 2018–2019

*The Conference of the Parties,*

*Recalling* its decision MC-1/15 on the programme of work of the secretariat and proposed budget for the biennium 2018–2019,

*Welcoming* the annual contribution by Switzerland, the host country of the secretariat, of 1 million Swiss francs, apportioned 60 per cent to the General Trust Fund and 40 per cent to the Special Trust Fund to be prioritized for the purpose of supporting the participation of representatives from developing countries in the meetings of the Conference of the Parties,

*Welcoming also* the high rate of contributions paid by [XX] [update as per COP2 date] parties to the General Trust Fund,

*Welcoming further* the fact that the high levels of contributions received and the savings realized in 2018 have allowed the immediate establishment of the Convention's full working capital reserve in the General Trust Fund,

*Recognizing with appreciation* the contributions and pledges made by Austria, the European Union, Finland, France, Japan, Norway, the Philippines, Sweden and Switzerland [update as per COP2 date] to the Special Trust Fund,

*Recognizing also with appreciation* the contributions and pledges made by Austria, Denmark, Germany, the Netherlands, Norway, Sweden, the United Kingdom of Great Britain and Northern Ireland and the United States of America [update as per COP2 date] to the Specific Trust Fund,

*Takes note* of its request, extended to the Executive Secretary in decision MC-1/15, on the preparation of a budget for the biennium 2020–2021 for consideration by the Conference of the Parties at its third meeting, in 2019,

#### I

##### General Trust Fund for the Minamata Convention on Mercury

1. *Takes note* of the update provided by the Executive Secretary on the activities of 2018 and the projected expenditures for 2018 through the General Trust Fund, as contained in the note by the secretariat on the programme of work and budget for the biennium 2018–2019,<sup>1</sup> as well as the report on the activities of the secretariat in 2018,<sup>2</sup> and also takes note of the updated cost estimates suggested to the approved budget for 2019 and the additional information provided in the programme of work and budget detail sheet;<sup>3</sup>

2. *Approves* the updated budget for the General Trust Fund for 2019 of [XX] United States dollars;

3. *Adopts* the indicative scale of assessment for the apportionment of expenses for 2019 as set out in table [XX] of the present decision and authorizes the Executive Secretary, consistent with the Financial Regulations and Rules of the United Nations, to adjust the scale to include all parties for which the Convention is in force by 1 January 2019;

4. *Recalls* that contributions to the General Trust Fund are due by 1 January of the year for which those contributions have been budgeted and at the latest by 31 December of that year, and requests parties to pay their contributions as soon as possible to enable the secretariat to carry out its work;

#### II

##### Special Trust Fund for the Minamata Convention on Mercury

5. *Takes note* of the update provided by the Executive Secretary on the activities of 2018 and the projected expenditures for 2018 through the Special Trust Fund as contained in the note by the

<sup>1</sup> UNEP/MC/COP.2/18.

<sup>2</sup> UNEP/MC/COP.2/17, annex.

<sup>3</sup> UNEP/MC/COP.2/INF/9.

secretariat on the programme of work and budget for the biennium 2018–2019,<sup>4</sup> as well as the report on the activities of the secretariat in 2018,<sup>5</sup> and also takes note of the updated cost estimates suggested for the budget for 2019 and the additional information provided in the programme of work and budget detail sheet;<sup>6</sup>

6. *Agrees* to the updated budget estimates for the Special Trust Fund for 2019 of [XX] United States dollars;

7. *Requests* parties and invites non-parties to the Convention and others in a position to do so to contribute to the Special Trust Fund to support the capacity-building and technical assistance activities of the secretariat of the Minamata Convention in accordance with article 14 of the Convention;

8. *Also requests* parties and invites non-parties to the Convention and others in a position to do so to contribute to the Special Trust Fund to support the participation of representatives from developing countries in the meetings of the Conference of the Parties and its subsidiary bodies;

### III

#### **Specific Trust Fund for the Minamata Convention on Mercury**

9. *Takes note* of the overall report on the Specific International Programme to Support Capacity-Building and Technical Assistance and the Specific Trust Fund for those activities;<sup>7</sup>

10. *Invites* parties and non-parties to the Convention and others in a position to do so to contribute to the Specific Trust Fund to support capacity-building and technical assistance activities in accordance with article 13 of the Convention;

### IV

#### **Preparations for the biennium 2022–2023**

11. *Requests* the Executive Secretary to prepare a budget for the biennium 2022–2023 for consideration by the Conference of the Parties at its fourth meeting, in 2021.

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<sup>4</sup> UNEP/MC/COP.2/18.

<sup>5</sup> UNEP/MC/COP.2/17, annex.

<sup>6</sup> UNEP/MC/COP.2/INF/9.

<sup>7</sup> UNEP/MC/COP.2/9, annex.

## Annex II

## Indicative scale of assessments for the General Trust Fund for contributions for 2019\*

(in United States dollars)

Party			UN Scale of Assessment (%)	Minamata indicative scale with 22% ceiling and 0.010% base (%)	Contribution to be covered by Parties for 2019
<b>Total</b>	<b>Group</b>	<b>Africa</b>			
1	1	Benin	0.003	0.010	329
2	2	Botswana	0.014	0.019	619
3	3	Burkina Faso	0.004	0.010	329
4	4	Chad	0.005	0.010	329
5	5	Djibouti	0.001	0.010	329
6	6	Eswatini	0.002	0.010	329
7	7	Gabon	0.017	0.023	752
8	8	Gambia	0.001	0.010	329
9	9	Ghana	0.016	0.022	707
10	10	Guinea	0.002	0.010	329
11	11	Lesotho	0.001	0.010	329
12	12	Madagascar	0.003	0.010	329
13	13	Mali	0.003	0.010	329
14	14	Mauritania	0.002	0.010	329
15	15	Mauritius	0.012	0.016	530
16	16	Namibia	0.010	0.013	442
17	17	Niger	0.002	0.010	329
18	18	Nigeria	0.209	0.281	9 239
19	19	Rwanda	0.002	0.010	329
20	20	Sao Tome and Principe	0.001	0.010	329
21	21	Senegal	0.005	0.010	329
22	22	Seychelles	0.001	0.010	329
23	23	Sierra Leone	0.001	0.010	329
24	24	Togo	0.001	0.010	329
25	25	Zambia	0.007	0.010	329
<b>Total</b>	<b>Group</b>	<b>Asia-Pacific</b>			
26	1	Afghanistan	0.006	0.010	329
27	2	China	7.921	10.648	350 159
28	3	India	0.737	0.991	32 580
29	4	Indonesia	0.504	0.677	22 280
30	5	Iran (Islamic Republic of)	0.471	0.633	20 821
31	6	Japan	9.680	13.012	427 918
32	7	Jordan	0.020	0.027	884
33	8	Kiribati	0.001	0.010	329
34	9	Kuwait	0.285	0.383	12 599
35	10	Lao People's Democratic Republic	0.003	0.010	329

Party			UN Scale of Assessment (%)	Minamata indicative scale with 22% ceiling and 0.010% base (%)	Contribution to be covered by Parties for 2019
36	11	Lebanon	0.046	0.062	2 033
37	12	Mongolia	0.005	0.010	329
38	13	Palau	0.001	0.010	329
39	14	Samoa	0.001	0.010	329
40	16	Singapore	0.447	0.601	19 760
41	17	Sri Lanka	0.031	0.042	1 370
42	18	Syrian Arab Republic	0.024	0.032	1 061
43	19	Thailand	0.291	0.391	12 864
44	20	United Arab Emirates	0.604	0.812	26 701
45	21	Viet Nam	0.058	0.078	2 564
<b>Total</b>	<b>Group</b>	<b>Central and Eastern Europe</b>			
46	1	Armenia	0.006	0.010	329
47	2	Bulgaria	0.045	0.060	1 989
48	3	Croatia	0.099	0.133	4 376
49	4	Czechia	0.344	0.462	15 207
50	5	Estonia	0.038	0.051	1 680
51	6	Hungary	0.161	0.216	7 117
52	7	Latvia	0.050	0.067	2 210
53	8	Lithuania	0.072	0.097	3 183
54	9	Republic of Moldova	0.004	0.010	329
55	10	Romania	0.184	0.247	8 134
56	11	Slovakia	0.160	0.215	7 073
57	12	Slovenia	0.084	0.113	3 713
<b>Total</b>	<b>Group</b>	<b>Latin America and the Caribbean</b>			
58	1	Antigua and Barbuda	0.002	0.010	329
59	2	Argentina	0.892	1.199	39 432
60	3	Bolivia (Plurinational State of)	0.012	0.016	530
61	4	Brazil	3.823	5.139	169 001
62	5	Chile	0.399	0.536	17 638
63	6	Costa Rica	0.047	0.063	2 078
64	7	Cuba	0.065	0.087	2 873
65	8	Dominican Republic	0.046	0.062	2 033
66	9	Ecuador	0.067	0.090	2 962
67	10	El Salvador	0.014	0.019	619
68	11	Guyana	0.002	0.010	329
69	12	Honduras	0.008	0.010	329
70	13	Jamaica	0.009	0.010	329
71	14	Mexico	1.435	1.929	63 436
72	15	Nicaragua	0.004	0.010	329
73	16	Panama	0.034	0.046	1 503
74	17	Paraguay	0.014	0.019	619
75	18	Peru	0.136	0.183	6 012
76	19	Saint Kitts and Nevis	0.001	0.010	329



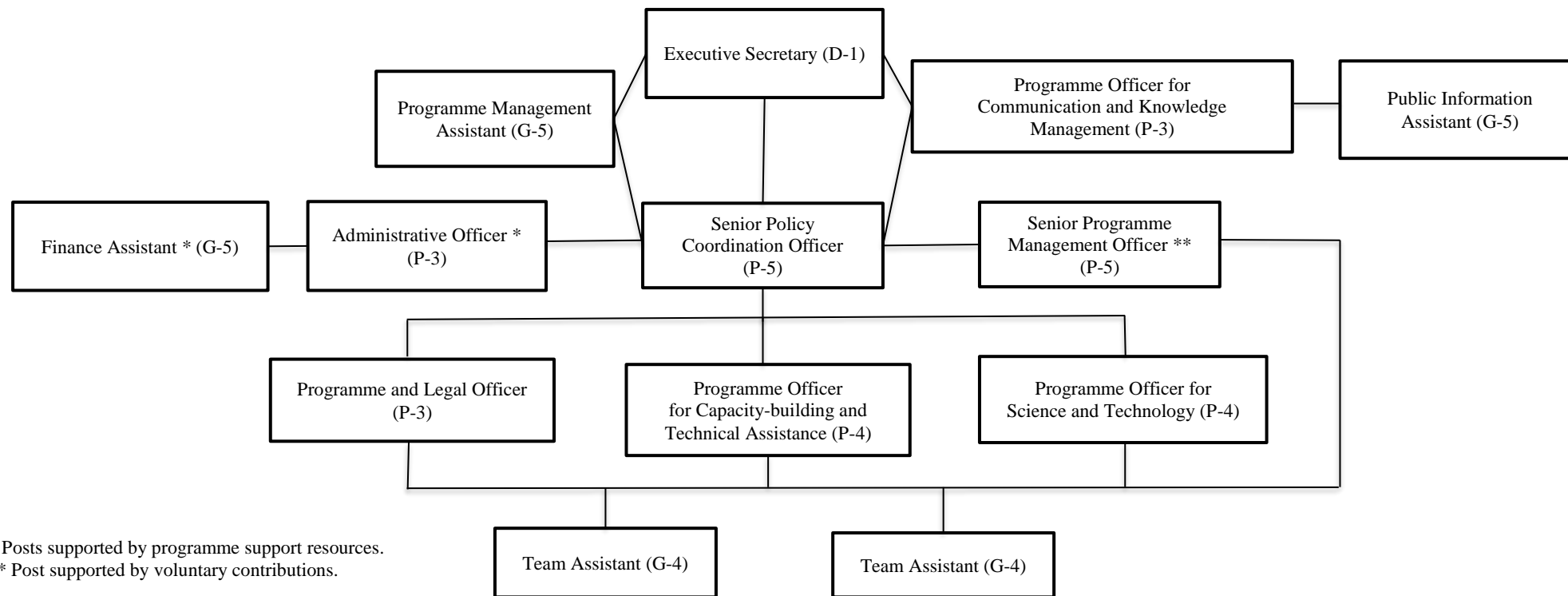
Party			UN Scale of Assessment (%)	Minamata indicative scale with 22% ceiling and 0.010% base (%)	Contribution to be covered by Parties for 2019
77	20	Suriname	0.006	0.010	329
78	21	Uruguay	0.079	0.106	3 492
<b>Total</b>	<b>Group</b>	<b>Western European and other States</b>			
79	1	Austria	0.720	0.968	31 829
80	2	Belgium	0.885	1.190	39 123
81	3	Canada	2.921	3.926	129 127
82	4	Denmark	0.584	0.758	25 817
83	5	European Union	2.500	2.500	82 215
84	6	Finland	0.456	0.613	20 158
85	7	France	4.859	6.532	214 799
86	8	Germany	6.389	8.588	282 435
87	9	Iceland	0.023	0.031	1 017
88	10	Liechtenstein	0.007	0.010	329
89	11	Luxembourg	0.064	0.086	2 829
90	12	Malta	0.016	0.022	707
91	13	Monaco	0.010	0.013	442
92	14	Netherlands	1.482	1.992	65 514
93	15	Norway	0.849	1.141	37 531
94	16	Portugal	0.392	0.527	17 329
95	17	Sweden	0.956	1.285	42 261
96	18	Switzerland**	1.140	1.532	50 395
97	19	United Kingdom of Great Britain and Northern Ireland	4.463	5.999	197 293
98	20	United States of America	22	22.000	723 492
<b>Grand total</b>				<b>100.00</b>	<b>3 288 599</b>

\* This contribution table is based on the status of ratification as at 18 September 2018 for 98 Parties to the Minamata Convention on Mercury.

\*\* The host country contribution of Switzerland includes its General Trust Fund contribution, which is shown here for information purposes.

**Annex III**

**Organizational chart for the secretariat of the Minamata Convention<sup>1</sup>**



<sup>1</sup> As at 31 August 2018.