



Distr.: General
20 June 2017

Original: English



United Nations Environment Programme

Conference of the Parties to the Minamata Convention on Mercury First meeting

Geneva, 24–29 September 2017

Item 5 (a) (iv) of the provisional agenda*

**Matters for action by the Conference of the Parties at its
first meeting: matters stipulated under the Convention:
the measures to give effect to the arrangements for the
financial mechanism referred to in article 13**

Guidance to the Global Environment Facility on overall strategies, policies, programme priorities, eligibility for access to and utilization of financial resources and on an indicative list of categories of activities that could receive support from the Global Environment Facility Trust Fund

Note by the secretariat

1. The Minamata Convention on Mercury defines, in paragraph 5 of article 13, a mechanism for the provision of adequate, predictable and timely financial resources. The mechanism is to support developing country parties and parties with economies in transition in implementing their obligations under the Convention. Paragraph 10 of article 13 provides that at the first meeting of the Conference of the Parties, the Conference and the entities comprising the mechanism are to agree upon arrangements to give effect to the operation of the mechanism.
2. Under paragraph 6 of article 13 of the Convention, the mechanism is to include two components: the Global Environment Facility (GEF) Trust Fund and a specific international programme to support capacity-building and technical assistance. Information about the first component is set out in the present note. Information about the second component is set out in the note by the secretariat on the programme (UNEP/MC/COP.1/9). A draft decision to give effect to the operation of the mechanism covering both components is annexed to both notes.
3. Under paragraph 7 of article 13 of the Convention, the GEF Trust Fund is to provide new, predictable, adequate and timely financial resources to meet costs in support of implementation of the Convention as agreed by the Conference of the Parties. Also under paragraph 7 the GEF Trust Fund is, for the purposes of the Convention, to be operated under the guidance of and be accountable to the Conference of the Parties and to provide resources to meet the agreed incremental costs of global environment benefits and the agreed full costs of some enabling activities. Paragraph 7 further requires the Conference of the Parties to provide guidance on overall strategies, policies, programme priorities and eligibility for access to and utilization of financial resources, as well as guidance on an indicative list of categories of activities that could receive support from the GEF Trust Fund. Furthermore,

* UNEP/MC/COP.1/1.

paragraph 8 of article 13 stipulates that in providing resources, GEF should take into account the potential mercury reductions of a proposed activity relative to its cost.

4. In paragraph 3 of its resolution on financial arrangements (UNEP(DTIE)/Hg/CONF/4, annex I), the Conference of Plenipotentiaries of the Minamata Convention decided that the intergovernmental negotiating committee to prepare a global legally binding instrument on mercury should develop, and adopt provisionally pending formal adoption by the Conference of the Parties at its first meeting, guidance on overall strategies, policies, programme priorities and eligibility for access to and utilization of financial resources and an indicative list of categories of activities eligible for support from the GEF Trust Fund.

5. At its sixth session, held in Bangkok from 3 to 7 November 2014, the intergovernmental negotiating committee reviewed the initial GEF guidelines and adopted a document providing guidance to GEF in its implementation of the mercury programme of the chemicals and waste focal area strategy during the sixth GEF replenishment period (known as GEF-6) (UNEP(DTIE)/Hg/INC.6/24, annex III, sect. I. A.) In the document the committee requested GEF, in providing financial support to developing countries and countries with economies in transition for activities under the Minamata Convention, to extend eligibility for enabling activity funding to non-signatory States, provided that such States were taking meaningful steps towards becoming parties as evidenced by a letter from the relevant minister to the Executive Director of the United Nations Environment Programme (UNEP) and to the Chief Executive Officer and Chairperson of GEF. The extension of eligibility was agreed to by the GEF Council in January 2015.

6. At its seventh session, held at the Dead Sea, Jordan, from 10 to 15 March 2016, the intergovernmental negotiating committee built on the guidance given to GEF-6 (“Provisional guidance for the implementation of the GEF-6 chemicals and waste focal area strategy as it relates to mercury”) by considering additional details of what could entail guidance to GEF on overall strategies, policies, programme priorities, eligibility for access to and utilization of financial resources, and by considering an indicative list of categories of activities eligible for support from the GEF Trust Fund.

7. Following deliberations during the seventh session the committee adopted this guidance on a provisional basis pending formal adoption by the Conference of the Parties at its first meeting (see annex, appendix I). One passage in this guidance remained enclosed in square brackets, and that passage will have to be decided upon by the Conference of the Parties at its first meeting. It concerns the eligibility for GEF support for enabling activities of countries that have signed but not yet ratified the Convention, provided that they are taking meaningful steps towards becoming parties to the Convention.

8. Also at its seventh session, the committee invited the United Nations Environment Programme to submit the guidance as adopted to the GEF Council for its consideration and to inform the seventh replenishment of the GEF Trust Fund with regard to the Convention. As requested, the interim secretariat submitted the guidance to the Chief Executive Officer and Chairperson of GEF in July 2016 for submission to the GEF Council for consideration at its meeting in October 2016. At the time of finalizing the present note, the interim secretariat had not received any comments from or through the GEF secretariat on the draft guidance on overall strategies, policies, programme priorities and eligibility for access to and utilization of financial resources or on the indicative list of categories of activities that could receive support from the GEF Trust Fund.

9. The arrangements to give effect to the financial mechanism are set out in a draft decision, which is annexed to both the present note and to the note on a specific international programme to support capacity-building and technical assistance (UNEP/MC/COP.1/9), to be considered for adoption by the Conference of the Parties at its first meeting pursuant to paragraph 10 of article 13 of the Minamata Convention. The draft decision covers both components of the financial mechanism. The two notes are to be read together, in preparation for the finalization and adoption of the decision on the financial mechanism.

10. The first preambular paragraph of the draft decision recalls article 13 of the Convention and the establishment of the financial mechanism. The second and third preambular paragraphs give details about the GEF Trust Fund. The fourth preambular paragraph relates to the specific international programme. Paragraph 1 relates to the financial mechanism. Paragraphs 2 and 3 relate to the guidance provided by the Conference of the Parties to the GEF Council. Paragraphs 4–7 relate to the specific international programme. The first and last preambular paragraphs have been taken directly from the decision on the specific international programme approved by the committee for consideration and possible adoption by the Conference of the Parties at its first meeting.

11. The preambular and operative paragraphs of the draft decision related to the guidance to the GEF Council have been drafted by the interim secretariat. The operative paragraphs related to the specific international programme have been taken from the decision on the programme approved by the committee for consideration and adoption by the Conference of Parties at its first meeting.

12. The draft decision has two appendices. The first is referred to in paragraph 2 of the decision and provides guidance to the GEF Council. The second is referred to in paragraphs 5 and 7 and concerns the specific international programme.

Suggested action by the Conference of the Parties

13. The Conference of the Parties may wish to finalize the guidance on overall strategies, policies, programme priorities, eligibility for access to and utilization of financial resources and on an indicative list of categories of activities eligible for support from the GEF Trust Fund, as put forward by the committee, to adopt the guidance for use as part of the overall decision on the arrangements for the financial mechanism to be adopted pursuant to article 13 of the Minamata Convention and to forward the guidance to the GEF Council.

Annex

Draft decision MC-1/[XX]: Arrangements for the operation of the financial mechanism referred to in article 13 of the Minamata Convention on Mercury

Note: The identical draft decision is found in UNEP/MC/COP.1/9.

The Conference of the Parties,

Recalling article 13 of the Minamata Convention on Mercury, which defines a financial mechanism to support developing country parties and parties with economies in transition in implementing their obligations under the Convention, and recalling that that mechanism is to include the Global Environment Facility Trust Fund and a specific international programme to support capacity-building and technical assistance, *(Note: the text of this paragraph is taken from the draft decision on the specific international programme approved at INC7 for consideration and possible adoption by the Conference of the Parties at its first meeting)*

Recalling also paragraph 7 of article 13, which requires that the Global Environment Facility Trust Fund provide new, predictable, adequate and timely financial resources to meet costs in support of implementation of the Convention, that for the purposes of the Convention the Global Environment Facility Trust Fund be operated under the guidance of and be accountable to the Conference of the Parties, and that the Global Environment Facility provide resources to meet the agreed incremental costs of global environmental benefits and the agreed full costs of some enabling activities,

Recalling further that in paragraph 3 of its resolution on financial arrangements the Conference of Plenipotentiaries of the Minamata Convention on Mercury decided that the intergovernmental negotiating committee to prepare a global legally binding instrument on mercury should develop, and adopt provisionally pending formal adoption by the Conference of the Parties at its first meeting, guidance to the Council of the Global Environment Facility on overall strategies, policies, programme priorities, eligibility for access to and utilization of financial resources and an indicative list of categories of activities eligible for support from the Global Environment Facility Trust Fund,

Recalling paragraph 6 of the resolution on financial arrangements of the Conference of Plenipotentiaries of the Minamata Convention on Mercury, in which the Conference decided that the intergovernmental negotiating committee should 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, *(Note: the text of this paragraph is taken from the draft decision on the specific international programme approved at INC7)*

1. *Approves* the arrangements to give effect to the operation of the two components comprising the financial mechanism;
2. *Adopts* the guidance to the Global Environment Facility on the overall strategies, policies, programme priorities and eligibility for access to and utilization of financial resources and on an indicative list of categories of activities eligible for support from the Global Environment Facility Trust Fund set out in appendix I to the present decision;
3. *Requests* that the guidance be transmitted to the Council of the Global Environment Facility,

(Note: The text in the four operative paragraphs below is taken from the draft decision on the specific international programme approved at INC7)

4. *Decides* that the hosting institution for the specific international programme, to support capacity-building and technical assistance referred to in paragraph 9 of article 13 of the Minamata Convention on Mercury should be provided by the United Nations Environment Programme;
5. *Approves* the hosting arrangements, guidance on the operations of and duration of the specific international programme set out in appendix II to the present decision;

6. *Requests* the Executive Director of the United Nations Environment Programme to establish a trust fund for the specific international programme;

7. *Requests* the Executive Director of the United Nations Environment Programme to implement the governance arrangements for the specific international programme as set out in appendix II to the present decision.

Appendix I

Guidance to the Global Environment Facility on overall strategies, policies, programme priorities and eligibility for access to and utilization of financial resources and on an indicative list of categories of activities that could receive support from the Global Environment Facility Trust Fund

1. Pursuant to article 13 of the Minamata Convention on Mercury, the present guidance is intended to assist the Global Environment Facility (GEF) in fulfilling its role as one of the entities entrusted with the operation of the financial mechanism of the Minamata Convention.

I. Eligibility for access to and utilization of financial resources

2. To be eligible for funding from GEF as one of the entities comprising the financial mechanism of the Minamata Convention on Mercury, a country must be a Party to the Convention and must be a developing country or a country with an economy in transition.

3. Activities that are eligible for funding from the GEF trust fund are those that seek to meet the objectives of the Convention and are consistent with the present guidance.

4. [Signatories to the Convention are eligible for funding from GEF for enabling activities, provided that any such signatory is taking meaningful steps towards becoming a Party as evidenced by a letter from the relevant minister to the Executive Director of the United Nations Environment Programme and to the Chief Executive Officer and Chairperson of the Global Environment Facility.]

II. Overall strategies and policies

5. In accordance with Article 13, paragraph 7, of the Convention, the GEF trust fund shall provide new, predictable, adequate and timely financial resources to meet costs in support of implementation of the Convention as agreed by the Conference of the Parties, including costs arising from activities that:

- (a) Are country-driven;
- (b) Are in conformity with programme priorities as reflected in relevant guidance provided by the Conference of the Parties;
- (c) Build capacity and promote the utilization of local and regional expertise, if applicable;
- (d) Promote synergies with other focal areas;
- (e) Continue to enhance synergies and co-benefits within the chemicals and waste focal area;
- (f) Promote multiple-source funding approaches, mechanisms and arrangements, including from the private sector, if applicable; and
- (g) Promote sustainable national socioeconomic development, poverty reduction and activities consistent with existing national sound environmental management programmes geared towards the protection of human health and the environment.

III. Programme priorities

6. In accordance with article 13, paragraph 7, of the Convention, the GEF trust fund shall provide resources to meet the agreed incremental costs of global environmental benefits and the agreed full costs of some enabling activities.

7. In particular, it should give priority to the following activities when providing financial resources to developing-country Parties and Parties with economies in transition:

- (a) Enabling activities, particularly Minamata Convention initial assessment activities and national action plans for artisanal and small-scale gold mining;

- (b) Activities to implement the provisions of the Convention, affording priority to those that:
- (i) Relate to legally binding obligations;
 - (ii) Facilitate early implementation on entry into force of the Convention for a Party;
 - (iii) Allow for reduction in mercury emissions and releases and address the health and environmental impacts of mercury.

8. In providing resources for an activity, GEF should take into account the potential mercury reductions of a proposed activity relative to its costs in accordance with paragraph 8 of article 13 of the Convention.

IV. Indicative list of categories of activities that could receive support

A. Enabling activities

1. **Minamata Convention initial assessments (MIAs)**
2. **Preparation of national action plans for artisanal and small-scale gold mining in accordance with paragraph 3 of article 7 and Annex C**
3. **Other types of enabling activities as agreed by the Conference of the Parties**

B. Activities to implement the provisions of the Convention

1. **Activities to implement the provisions of the Convention that relate to legally binding obligations**

9. When providing financial resources to eligible Parties for activities to implement the provisions of the Convention, GEF should afford priority to those activities that relate to legally binding obligations of Parties under the Convention and should take into account the potential mercury reductions of a proposed activity relative to its costs. Such activities could include those related to the following areas, listed in no particular order:

- Mercury supply sources and trade;
- Mercury-added products;
- Manufacturing processes in which mercury or mercury compounds are used;
- Artisanal and small-scale gold mining;
- Emissions;
- Releases;
- Environmentally sound interim storage of mercury, other than waste mercury;
- Mercury wastes;
- Reporting;
- Relevant capacity-building, technical assistance and technology transfer in relation to the above.

2. **Activities to implement the provisions of the Convention that facilitate early implementation on entry into force of the Convention for a Party**

10. When considering activities to implement the provisions of the Convention that facilitate early implementation on entry into force, GEF should also consider providing support for activities that, although they are not the subject of a legal obligation under the Convention, may significantly contribute to a Party's preparedness to implement the Convention upon its entry into force for that country.

11. Within the context of the GEF mandate, such activities could include, inter alia, support for:

- (a) With regard to emissions, the development by Parties with relevant sources of emissions of national plans setting out the measures to be taken to control emissions and their expected targets, goals and outcomes;

- (b) With regard to releases, the development by Parties with relevant sources of releases of national plans setting out the measures to be taken to control releases and their expected targets, goals and outcomes;
- (c) With regard to contaminated sites, capacity-building for the development of strategies for identifying and assessing sites contaminated by mercury or mercury compounds and, as appropriate, the remediation of those sites;
- (d) Information exchange;
- (e) Public information, awareness and education;
- (f) Cooperation in the development and improvement of research, development and monitoring;
- (g) Development of implementation plans following initial assessments.

3. Activities to implement the provisions of the Convention that allow for the reduction of mercury emissions and releases and address both the health and environmental impacts of mercury

12. Activities to implement the provisions of the Convention that allow for the reduction of mercury emissions and releases and address both the health and environmental impacts of mercury may encompass activities relating to both binding and non-binding provisions, with priority to the legally binding provisions discussed above, that accord with the GEF mandate to deliver global environmental benefits and reflect the GEF chemicals and waste focal area strategy.

V. Review by the Conference of the Parties

13. In accordance with paragraph 11 of article 13, the Conference of the Parties will review, no later than at its third meeting, and thereafter on a regular basis, the level of funding, the guidance provided by the Conference of the Parties to GEF as one of the entities entrusted with operationalizing the mechanism established under this article and the mechanism's effectiveness and ability to address the changing needs of developing-country Parties and Parties with economies in transition. On the basis of such review, the Conference of the Parties will take appropriate action to improve the effectiveness of the financial mechanism, including by updating and prioritizing as necessary its guidance to GEF.

Appendix II

Hosting arrangements and guidance on the operations of and duration of the specific international programme

Note: Appendix II to the present decision is set out as appendix II to the annex to document UNEP/MC/COP.1/9.
