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Matters for action by the Conference of the Parties at its first meeting: programme of work of the secretariat and budget for the period 2018–2019

Programme of work of the secretariat and budget for the period 2018–2019

Note by the secretariat

I. Introduction

1. The period 2018–2019 marks the first biennium for the Minamata Convention on Mercury. The present note therefore describes the proposed activities of the first programme of work of the secretariat and the budget to undertake that programme of work.
2. In paragraph 11 of its resolution on arrangements in the interim period (see UNEP(DTIE)/Hg/CONF/4, annex I), the Conference of Plenipotentiaries on the Minamata Convention requested the Executive Director of the United Nations Environment Programme (UNEP) to provide the interim secretariat services to support the intergovernmental negotiating committee and its activities until the first meeting of the Conference of the Parties. In that regard, the interim secretariat was tasked with preparing the first programme of work for the permanent secretariat and the first budget for the Convention, to be submitted for consideration and adoption by the Conference of the Parties at its first meeting.
3. In response to that request, the present note provides the best estimate of the interim secretariat with regard to the priorities of the programme of work and the proposed budget as a new convention for the biennium 2018–2019. The estimate is based on both information gathered by the interim secretariat since 2010 and the Convention text and its articles.
4. The note is structured in three sections. The introductory section sets out the functions of the secretariat that lay the foundation of the programme of work, indicates provisions of the draft financial rules that guided the preparation of the budget and draws attention to the key decisions to be taken by the Conference of the Parties that impact the proposed budget of the Convention. Section II begins with an overview of the programme of work and the budget for the biennium 2018–2019, which is followed by a more detailed consideration of the activities that underpin the programme of work (see also UNEP/MC/COP.1/21/Add.1), and the resource requirements needed for the staffing complements for the secretariat options (see UNEP/MC/COP.1/21/Add.2). This section also contains information on the indicative scale of assessments and projected assessed contributions (UNEP/MC/COP.1/21/Add.3)

* UNEP/MC/COP.1/1.

and an overview presentation of the programme of work and budget by secretariat arrangement options (UNEP/MC/COP.1/21/Add.4). Section II also contains further information pertaining to the United Nations Secretariat and UNEP in terms of International Public Sector Accounting Standards (IPSAS), Umoja and other related matters. Section III sets out suggested action to be taken by the Conference of the Parties.

A. Establishing the first programme of work of the secretariat and the first proposed budget for the period 2018–2019

5. Article 24 of the Minamata Convention sets out the establishment of its secretariat and stipulates its functions as follows:

- (a) To make arrangements for meetings of the Conference of the Parties and its subsidiary bodies and to provide them with services as required;
- (b) To facilitate assistance to parties, particularly developing country parties and parties with economies in transition, on request, in the implementation of the Convention;
- (c) To coordinate, as appropriate, with the secretariats of relevant international bodies, particularly other chemicals and waste conventions;
- (d) To assist parties in the exchange of information related to the implementation of the Convention;
- (e) To prepare and make available to the parties periodic reports based on information received pursuant to articles 15 and 21 and other available information;
- (f) To enter, under the overall guidance of the Conference of the Parties, into such administrative and contractual arrangements as may be required for the effective discharge of its functions;
- (g) To perform the other secretariat functions specified in the Convention and such other functions as may be determined by the Conference of the Parties.

6. The first meeting of the Conference of the Parties to the Minamata Convention is to adopt the draft financial rules for the Conference and any of its subsidiary bodies, as well as the financial provisions governing the functioning of the secretariat of the Convention (see UNEP/MC/COP.1/13, annex II). The draft financial rules contain a number of stipulations that guide the preparation of the first proposed budget for the Convention, namely:

- (a) Rule 2 on the financial period states that the financial period for the Convention shall be a calendar year, and that the biennial programme of work and budget shall normally consist of two consecutive calendar years, the first of which shall be an even year. The first programme of work and budget for the Convention is thus set for the biennium 2018–2019;
- (b) Rule 3 on budget stipulates that the head of the secretariat of the Convention shall prepare budget estimates for the biennium in United States dollars, showing projected income and expenditures for each year. Following the mandate given by the Conference of Plenipotentiaries, the Principal Coordinator of the interim secretariat, on behalf of the Executive Director of UNEP, has set out the proposed programme of work and budget for the Convention for the biennium 2018–2019;
- (c) Furthermore, rule 3, as drafted, states that the “budget should be presented in a programmatic format [harmonized with the format used by the secretariats of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the Stockholm Convention on Persistent Organic Pollutants]”. The proposed programme of work and budget for the Minamata Convention on Mercury for the biennium 2018–2019 indeed follow the format used by the above-mentioned conventions;
- (d) Rule 3 also stipulates that the Conference of the Parties shall consider and adopt an operational budget prior to the commencement of the financial period covered by the budget. As the first meeting of the Conference of the Parties convenes in September 2017, the Conference of the Parties will be able to adhere to that stipulation for the biennium 2018–2019. The operational budget for the biennium 2018–2019 can be considered and adopted at the first meeting of the Conference of the Parties in September 2017;
- (e) Rule 4 stipulates that a general trust fund is to be established by the Executive Director of UNEP and managed by the head of the secretariat. The general trust fund is to provide financial support for the work of the Convention secretariat;

(f) Rule 4 further stipulates that a voluntary special trust fund shall also be established by the Executive Director and managed by the head of the secretariat. The specifics pertaining to the use of the special trust fund are yet to be finalized, but the fund will support article 14 of the Convention. Furthermore, the fund will provide support for the participation of representatives of developing country parties, in particular those from least developed countries and small island developing States, and parties with economies in transition, in the meetings of the Conference and its subsidiary bodies;

(g) Rule 5 sets out the resources of the Conference of the Parties and provides that the resource base of the Convention shall comprise contributions made each year by parties on the basis of an indicative scale adopted by consensus by the Conference, and based on a scale of assessment of the United Nations as adopted from time to time by the General Assembly. The resource base of the Conference may also include a host country contribution, as well as further contributions by parties and States that are not parties to the Convention and contributions from governmental, intergovernmental and non-governmental organizations;

(h) Rule 5 also provides for the distribution of a host country contribution between the general trust fund and the voluntary special trust fund. The ratio of that distribution has not yet been agreed, and the percentages are currently in brackets.

7. Following the first meeting of the Conference of the Parties, the general trust fund and the voluntary special trust fund will be created by the United Nations Controller in New York through the Corporate Services Division on behalf of the Executive Director of UNEP.

B. Key decisions by the Conference of the Parties that have an impact on the proposed budget of the Minamata Convention

8. The proposed budget is a work in progress and will evolve in the light of decisions taken by the first meeting of the Conference of the Parties. Of those decisions, two in particular have an impact on the overall budget for the Minamata Convention: those relating to the arrangements for and the location of the permanent secretariat.

9. In paragraph 9 of the resolution on arrangements in the interim period, the Conference of Plenipotentiaries requested the Executive Director to present a report on proposals on how he or she would arrange to perform the functions of the permanent secretariat for the Convention.

10. The intergovernmental negotiating committee considered the Executive Director's report (UNEP(DTIE)/Hg/INC.7/15, annex) at its seventh session. The report included an analysis of options and addressed, inter alia, effectiveness, cost-benefit, different locations for the secretariat, merging the secretariat with that of the Basel, Rotterdam and Stockholm conventions, and utilizing the interim secretariat as updated for consideration by the Conference of the Parties at its first meeting is set out in document UNEP/MC/COP.1/14. The Executive Director's report, prepared in close consultation with the secretariat of the Basel, Rotterdam and Stockholm conventions, sets out proposals to perform the functions of the permanent secretariat of the Convention as follows:

Option 1 (a) (merger): Merging the secretariat functions of the Minamata Convention into the secretariat of the Basel, Rotterdam and Stockholm conventions, utilizing its current structure (location: Geneva);

Option 1 (b) (branch): Merging the secretariat of the Minamata Convention with the secretariat of the Basel, Rotterdam and Stockholm conventions by creating, in the interim, a Minamata Convention branch (location: Geneva);

Option 2 (standalone): Establishing an independent secretariat of the Minamata Convention (location: to be determined on the basis of an analysis of the following UNEP duty stations: Bangkok, Geneva, Nairobi, Osaka, Vienna and Washington, D.C.).

11. At its first meeting, the Conference of the Parties will also consider the offer made by the Government of Switzerland in 2015 to host the permanent secretariat of the Minamata Convention in Geneva. The Government of Switzerland offered financial support to be provided to the Convention, conditional on its secretariat being merged with the secretariat of the Basel, Rotterdam and Stockholm conventions.

12. At its seventh session, the intergovernmental negotiating committee considered the offer made by the Government of Switzerland (UNEP/MC/COP.1/INF/7). Following its deliberations, the committee requested the Government of Switzerland to further clarify the offer, including the conditionality attached to it and the financial aspects related to the amount that the Government of Switzerland would contribute.

13. The clarification received from the Government of Switzerland, dated 27 June 2017 (see UNEP/MC/COP.1/INF/8), confirmed that the host country contribution is dependent on the secretariat of the Minamata Convention being merged with the secretariat of the Basel, Rotterdam and Stockholm conventions. With regard to the options listed in paragraph 10 above, in the case of a full merger located in Geneva (option 1 (a)), the annual host country contribution would be 2.5 million Swiss francs (where 500,000 is for joint activities with the secretariat of the Basel, Rotterdam and Stockholm conventions). In the case of a merger over time (option 1 (b)), whereby initially a fourth branch is created in Geneva, the annual contribution would be 2 million Swiss francs. In the case of option 2, which establishes an independent secretariat for the Minamata Convention, no host country contribution would be forthcoming. A one-time contribution of 100,000 Swiss francs from the Government of Switzerland for joint infrastructure costs would apply for all options hosting the secretariat in Geneva.

II. Implementation

A. Overview of the proposed programme of work and budget for the period 2018–2019

14. The proposed programme of work and budget for the secretariat of the Minamata Convention is based on the interim secretariat's best assessment of the activities and resources that will be required to support the implementation of the Convention for the biennium 2018–2019.

15. As this is the first programme of work for the secretariat of the Convention, it should be noted that while all proposed activities of the programme of work are new, the programme is built on the experience gained by the interim secretariat since 2010, which includes the following:

(a) Having arranged seven meetings of the intergovernmental negotiating committee, the meetings of the committee Bureau, numerous intersessional meetings and, most recently, the first meeting of the Conference of the Parties, as well as regional preparatory meetings;

(b) Having facilitated and provided assistance to States, in particular developing countries and countries with economies in transition, upon request, to support the ratification and early implementation of the Minamata Convention;

(c) Having coordinated, as appropriate, with the secretariats of relevant international bodies, including other chemicals and waste conventions;

(d) Having entered into administrative and contractual arrangements, as required, to effectively discharge the above-mentioned functions under the overall framework of authority delegated by the Executive Director of UNEP;

(e) Having provided scientific and technical expertise to support and underpin the development of guidance, including on the best available techniques and environmental practices, during the intergovernmental negotiating committee process. That guidance will be presented for adoption at the first meeting of the Conference.

16. The proposed activities in the programme of work are also based on the interim secretariat's assessment of activities and resources required to advance and fulfil matters for action by the second and third meetings of the Conference of the Parties, as set out in the Minamata Convention and the Final Act, as well as the activities that need to be undertaken to assist in the implementation of the Convention in the biennium 2018–2019.

17. The proposed programme of work also draws on the experiences of and lessons learned by the secretariat of the Basel, Rotterdam and Stockholm conventions, specifically in terms of scaling cost estimates and the consideration of time allocation for the implementation of activities.

18. The proposed programme of work and budget for the biennium 2018–2019 provide for the permanent secretariat to support and facilitate both the implementation of the Convention by parties and the decisions of the Conference. The proposed activities include the following:

(a) Convening and servicing all required meetings of the Conference of the Parties;

(b) Facilitating assistance to parties, in particular developing country parties and parties with economies in transition, upon request, in the implementation of the Convention;

(c) Coordinating, as appropriate, with the secretariats of relevant international bodies, particularly chemicals and waste conventions;

- (d) Assisting countries in the exchange of information related to the implementation of the Convention;
- (e) Preparing and making available to parties periodic reports based on the information received pursuant to articles 15 and 21 and other relevant information;
- (f) Entering, under the overall guidance of the Conference of the Parties, into administrative and contractual arrangements as may be required for the effective discharge of its functions;
- (g) Performing the other secretariat functions specified in the Convention and functions as may be determined by the Conference.

19. The proposed programme of work is organized into seven functional headings that broadly follow the functions of the secretariat, namely:

- (a) Conferences and meetings;
- (b) Capacity-building and technical assistance;
- (c) Scientific and technical activities;
- (d) Knowledge and information management, and outreach;
- (e) Overall management;
- (f) Legal and policy activities;
- (g) Office maintenance and services.

B. Activities in the programme of work for the period 2018–2019

20. According to the United Nations financial management system (see further explanation below on IPSAS and Umoja), the activities that form the programme of work serve as the basis for budgeting. In that regard, under the seven functional headings, the proposed programme of work and the related budget for the Minamata Convention is organized into 16 proposed activities (see annex II).

21. The activities constituting the proposed programme of work of the Convention are described below, and the resources required for these activities, other than staff, are set out in addendum 1 to the present note (UNEP/MC/COP.1/21/Add.1). The costs are estimated on the basis of the secretariat being located in Geneva.

1. Conferences and meetings

22. The Conference of the Parties is the decision-making body of the Minamata Convention, as established in article 23. The organization of its meetings, at intervals decided upon by the Conference, is a core activity of the secretariat. According to the draft rules of procedure, the second and third meetings of the Conference shall be held in consecutive years, and thereafter meetings shall be held every two years. The second and third meetings of the Conference are therefore expected to be held before the end of 2018 and 2019 respectively. The costs of holding the meetings, which are a core activity of the Convention, will be funded from the General Trust Fund. Each meeting will be preceded by preparatory meetings. Regional preparatory meetings are held to enable parties to prepare for the meeting of the Conference. Financial support for the travel of participants from developing country parties or parties with economies in transition allows for their full and effective participation and involvement in decision-making. Such travel will be funded by the voluntary Special Trust Fund.

23. It is expected that the first and second meetings of the Conference may establish intersessional time-based expert groups on technical issues, including effectiveness evaluation, interim storage of mercury and mercury compounds, establishment of waste thresholds and the preparation of guidance on the management of contaminated sites. Making arrangements to support those expert groups, in line with the decisions taken by the Conference on the operation of such groups, is considered a core activity of the secretariat.

24. The secretariat will also arrange the meetings of the Bureau of the Conference of the Parties. The Bureau consists of 10 members, with each United Nations regional group represented by two members. The Bureau is expected to meet intersessionally, with one face-to-face meeting anticipated. Other meetings will be conducted by teleconference.

25. The secretariat will, furthermore, arrange for the meetings of the Implementation and Compliance Committee, which is to be established as a subsidiary body at the first meeting of the Conference of the Parties, according to article 15 of the Convention. The Committee shall consist of 15 members, with representation based on the five regions of the United Nations. The first task that the

Committee will undertake, as set out in the text of the Convention, is to elaborate its rules of procedure for approval by the second meeting of the Conference of Parties. The Committee is expected to hold intersessional meetings to develop the rules.

26. Most of the activities on conferences and meetings for the biennium 2018–2019 are core activities of the secretariat and will therefore require support by the General Trust Fund. Regional preparatory meetings and supplementary meetings to meetings of the Conference of the Parties will be supported by the Special Trust Fund and are subject to the availability of funds.

2. Capacity-building and technical assistance

27. According to article 14 of the Convention, parties to the Minamata Convention shall cooperate to provide, within their respective capabilities, timely and appropriate capacity-building and technical assistance to developing country parties, in particular those that are least developed countries or small island developing States, and parties with economies in transition, to assist them in implementing their obligations under the Convention. The secretariat is to set up a capacity-building and technical assistance programme for Convention implementation in response to that request. The activities of the programme will primarily be directed towards providing support to parties, but will also include support for non-parties towards early implementation and ratification.

28. The overall objective of the capacity-building and technical assistance programme will be to design, develop, strengthen and maintain the capabilities required by parties to meet the obligations of the Convention at the individual, organizational and systemic levels.

29. The capacity-building and technical assistance programme will include cross-cutting activities to support national coordination, institutional capacities, national legislation and information exchange. Those activities will also support a needs and impact assessment, and the development of tools and methodologies as needed to support implementation. Furthermore, the secretariat will deliver capacity-building based on the needs and impact assessment. The secretariat also has to stand ready to respond to specific capacity-building activities on request.

30. All activities relating to capacity-building and technical assistance for the biennium 2018–2019 will be funded through the voluntary Special Trust Fund.

3. Scientific and technical activities

31. The secretariat is tasked with providing scientific and technical support to parties to the Convention, including the further development of guidance documents and draft guidelines as required by the Convention. The areas of work include emissions and releases of mercury and mercury compounds, interim storage, waste and contaminated sites. The secretariat will provide balanced, evidence-based reports and scientific and technical analyses to facilitate decision-making and support the implementation of the Convention; produce policy and technical analyses on cross-cutting issues; and coordinate and take part in collaborative efforts with partners in support of the Convention. Lastly, scientific and technical support will also underpin strategic communication outreach for the Convention.

32. Under the Convention, the Conference of the Parties is expected to undertake an evaluation of the effectiveness of the Convention no later than six years after its entry into force. The work is to commence at the first meeting with the initiation of the establishment of arrangements to provide itself with monitoring data. The secretariat is expected to be tasked with assisting that process, through the development of draft documents, as required, as well as the coordination of input and the arrangement of meetings of any expert groups that may be established.

33. The first meeting of the Conference of the Parties will agree on the structure and content of the reporting format as well as the frequency of reporting. The secretariat will support the process of reporting, including through the development of an online tool for use by parties. The secretariat will also provide information, and other tools and guidance on reporting as required.

34. The scientific and technical activities for the biennium 2018–2019 are expected to be covered by the budgetary allocation for staff costs, with the exception of an amount set aside for the development of an online tool.

4. Knowledge and information management, and outreach

35. The secretariat will support the knowledge and information management activities of the Convention as stipulated in article 17. Effective knowledge and information management is a cornerstone of implementation efforts, as it allows parties to exchange information with each other, and builds the repository of knowledge on implementation of the Convention in different national and regional contexts, including on lessons learned through South-South and North-South collaboration.

The development of a dedicated, flexible and accessible knowledge and information management system for the Convention is key in this regard.

36. The secretariat is also tasked with raising awareness about the Convention through strategic communication and outreach. The long-term sustainability of the Convention will be enhanced if policymakers and the general public are aware of and informed about the importance of its aims, the relevance of those aims to everyday life and the interlinkages between the work of the Convention and various other sectors.

37. The development and dissemination of materials and publications (including e-publications) are key to awareness-raising efforts, and should include the publication and dissemination of the convention text, rules of procedure and financial rules, as well as fact sheets and other core publications.

38. As this is a new convention, a strategic communication campaign will also need to be developed, which should include a social media profile, a visual identity, branding and logo, and related multimedia elements for publicity purposes.

39. The knowledge and information management functions, as well as strategic communication and outreach activities for the biennium 2018–2019 are a core part of the work of the secretariat and will primarily be supported from the General Trust Fund.

5. Overall management

40. Providing effective support to parties to the Convention requires responsive and strategic executive direction. It also requires coherence in the management of staff, in the delivery of secretariat functions and in financial resources. In that regard, the head of the secretariat provides strategic planning and management, ensures effective flows of information and monitors progress in the implementation of the programme of work.

41. The head of the secretariat is tasked with ensuring the coherence of meetings, prioritizing and organizing its work, using its resources efficiently and ensuring consistency in its procedures, the overall aim of which is efficiency and effectiveness of processes and structures in order to best support the implementation of the Convention.

42. The head of the secretariat must also ensure that its work is adequately funded. The preparation and monitoring of the budget and, in particular, the mobilization of resources are core functions in that regard. Furthermore, the head of the secretariat is tasked with building and strengthening relations with donors for the overall allocation of resources for the implementation of the Convention, which involves both traditional and non-traditional funding sources, and the Global Environment Facility, which forms part of the financial mechanism of the Convention.

43. Effective implementation support also requires coordination and cooperation by the secretariat with the chemicals and waste cluster and with the broader sustainable development and environmental agenda, including through UNEP, other related and appropriate forums, and with partner institutions, including the World Health Organization.

44. Staff travel for the biennium 2018–2019, in support of activities for Convention implementation and in response to the needs of the Convention and its subsidiary bodies, may be required.

45. It should be noted that a specific international programme is to be established at the first meeting of the Conference of the Parties, which, together with the Global Environment Facility Trust Fund will form the financial mechanism for the Convention. The location of the programme and its secretariat has yet to be decided (see UNEP/MC/COP.1/9 and UNEP/MC/COP.1/9/Add.1). It is expected that the secretariat and its operations will be funded through voluntary contributions.

6. Legal and policy activities

46. Legal and policy activities underpin many of the functions of the secretariat, including both generic and Convention-specific activities. Such activities include providing legal and policy advice on a range of subjects, including the implementation and development of the Convention, international cooperation activities on legal and policy matters, and the corporate legal activities of the secretariat.

47. Legal and policy activities of the secretariat also include providing specific support to the Convention, ensuring the coherence of its conferences and meetings, its organization of work and the consistency of its processes and procedures. Such activities also include providing intersessional support to the Implementation and Compliance Committee that will be established at the first meeting of the Conference of the Parties, including support for the development of terms of reference.

48. The legal and policy activities for the biennium 2018–2019 are expected to be covered by the budgetary allocation for staff costs. No requirement for additional expertise is anticipated.

7. Office maintenance and services

49. A well-functioning secretariat requires the provision of office facilities, office furniture and supplies, as well as related office space maintenance, utilities and administration fees. It also requires a suitable information infrastructure, equipment and ongoing support in that regard. While an overall estimate of operational requirements can be made, there is likely to be a difference in such costs depending on the duty station proposed.

C. Staffing requirements for the period 2018-2019

50. As noted earlier, the arrangements for the way in which the Executive Director will perform the functions of the secretariat are to be decided at the first meeting of the Conference of the Parties. The location of the secretariat is also to be decided at that meeting.

51. As indicated in document UNEP/MC/COP.1/14, the staffing complement will differ depending on the secretariat arrangement option chosen, and if a standalone secretariat arrangement is selected the resources required for staff will also differ, depending on the duty station selected (see UNEP/MC/COP.1/21/Add.2). The various scenarios are summarized below.

Option 1(a) (merger): Merging the secretariat functions of the Minamata Convention into the secretariat of the Basel, Rotterdam and Stockholm conventions, utilizing its current structure (location: Geneva)

52. Under option 1(a), the functions of the secretariat of the Minamata Convention would be incorporated into the merged secretariat of the Basel, Rotterdam and Stockholm conventions, and the sharing of time and related costs of all posts in the merged secretariat would be determined and approved by the conferences of the parties to the four conventions. The next meetings of the conferences of the parties to the Basel, Rotterdam and Stockholm conventions will be held in 2019. Under this option, it is envisaged that the Minamata Convention would pay for 20 per cent of the posts of Executive Secretary and Deputy Executive Secretary, as well as 20 per cent of the remaining posts currently budgeted in the general trust funds of the three conventions. The percentage for the Minamata Convention has been determined at 20 per cent, considering the expected level of activity of the respective conventions. The remaining 80 per cent staff time will be allocated for the implementation of the Basel, Rotterdam and Stockholm conventions.

53. In addition to the existing staff complement in the secretariat of the Basel, Rotterdam and Stockholm conventions, the following new positions are expected to be required for programmatic support to the Minamata Convention: two P-4 posts (one for scientific support and one for capacity-development and technical support), three P-3 posts (one for capacity-building and technical assistance, one for scientific support and one for conference coordination) and four General Service posts. These posts would service all four conventions and would be covered by a cost-sharing arrangement among the four conventions, that is, the Minamata Convention would be expected to cover 20 per cent of the cost of the posts currently budgeted in the general trust funds of the Basel, Rotterdam and Stockholm conventions, as well as the new posts established.

54. Furthermore, the cost savings for the Basel, Rotterdam and Stockholm convention parties generated by this option could be partially reinvested to strengthen the structure of the joint secretariat by hiring the equivalent of 1.5 P-3 programme officers (to cover the costs of functions such as legal support, knowledge management, outreach and information technology services).

Option 1(b) (branch): Merging the secretariat of the Minamata Convention with the secretariat of the Basel, Rotterdam and Stockholm conventions by creating, in the interim, a Minamata Convention branch (location: Geneva)

55. Under this option, a Minamata Convention branch would be established under the Executive Secretary of the secretariat of the Basel, Rotterdam and Stockholm conventions and the Minamata Convention. The Deputy Executive Secretary and the Chief of the Conventions Operations Branch would also provide support to the Minamata Convention branch.

56. Similar to option 1(a), according to which the existing staff of the secretariat of the Basel, Rotterdam and Stockholm conventions would take on functions for the Minamata Convention with the costs of their positions shared among the four conventions, for option 1 (b) (branch), those costs are estimated to amount to 40 per cent of a D-2 post (Executive Secretary), 20 per cent of a D-1 post (Deputy Executive Secretary) and 40 per cent of a P-5 post (Branch Chief, Conventions Operations Branch) for the Minamata Convention. In addition, in order to increase the capacity of the structure of

the secretariat to meet the needs of the Minamata Convention branch, the equivalent of 1.5 P-3 officers (to cover functions such as legal, outreach and public awareness, information technology and information management) would be hired and four General Service posts would be necessary.

57. To fulfil the functions of the Minamata Convention branch the following new posts would be needed: one D-1 (Branch Chief), one P-4 (scientific matters), three P-3 (one for technical and science matters, one for technical assistance and capacity-building, and one for knowledge management and reporting).

Option 2 (standalone): Establishing an independent secretariat of the Minamata Convention (location: to be determined on the basis of an analysis of the following UNEP duty stations: Bangkok, Geneva, Nairobi, Osaka, Vienna and Washington, D.C.)

58. Under option 2, the secretariat of the Minamata Convention would be headed by an Executive Secretary at the D-1 level, who would be supported by a branch chief on policy services and a branch chief on technical services (both at P-5 level). Under the policy services branch, work on science and the science-policy interface would be carried out by a science officer at the P-4 level and a science policy outreach officer at the P-3 level. A legal officer at the P-3 level would be employed to work on legal guidance and general policy issues, and conference coordination and preparation would be carried out by another staff member at the P-3 level. Under the technical services branch, work on capacity-building and technical assistance would be facilitated by one officer at the P-4 level, with a P-3 staff member leading knowledge management, information technology services and outreach to support capacity-building and technical assistance. This option would be supported by a total of four General Service staff members.

D. Draft scale of assessment for the period 2018–2019

59. According to rule 5 of the draft financial rules of the Minamata Convention, the resources of the Conference of the Parties shall comprise assessed contributions based on an indicative scale adopted by the Conference of the Parties and based on a United Nations scale of assessments adjusted so as to ensure that (a) no party contributes less than 0.01 per cent of the total, (b) no contribution exceeds 22 per cent of the total, and (c) no contribution from a least developed country party exceeds 0.01 per cent of the total. The assessed contributions for parties are and will continue to be based on the current United Nations scale of assessments 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.

60. The indicative scale of assessments and the annual assessed contributions of each party are set out in the third addendum to the present note (UNEP/MC/COP.1/21/Add.3). As at 1 July 2017, the last day of the deposit of ratification instruments to be a party at the time of the first meeting of the Conference, 70 future parties had deposited their instruments. As at 24 August, 74 countries have deposited their instruments of ratification and will be parties by the time the budget for the biennium 2018–2019 comes into effect. The calculations in addendum 3 to the present note are therefore based on 74 parties. A revision of the addendum will be prepared shortly before the first meeting of the Conference of the Parties as an update. The list will continue to be updated as States deposit their instruments.

E. IPSAS and Umoja implementation in the United Nations Secretariat and UNEP

61. IPSAS is a set of accounting principles and standards that are recommended as best practice in the preparation of financial statements for public sector entities. Following the adoption of IPSAS by the General Assembly (United Nations General Assembly resolution 60/283), the United Nations gradually implemented those new standards. The United Nations Secretariat and UNEP adopted IPSAS with effect from 1 January 2014.

62. In 2015, the United Nations Secretariat, as part of a major administrative reform effort, introduced a new enterprise resource planning system, Umoja, which provides a simplified and real-time approach to the United Nations Secretariat's management of finances, resources and assets. Umoja is designed to support IPSAS and as such is fully compliant with it. UNEP began its implementation of Umoja on 1 June 2015.

63. The secretariat of the Minamata Convention, as part of UNEP, will process its financial activities in Umoja and will be IPSAS-compliant.

64. It should be noted that IPSAS is based on accrual accounting in line with generally accepted accounting principles and international financial reporting standards. This will allow for

better-informed assessments of resource allocation decisions than the previous system used by the United Nations Secretariat. IPSAS-based financial information provides full disclosure on the resources of the organization and its future obligations. Based on IPSAS, Umoja enforces a stringent liquidity management regime, which applies to both assessed and voluntary contributions. Funds may only be disbursed once they are available as cash in hand. The commencement of project implementation is therefore directly linked to the transfer of pledged contributions. As such, the Conference of the Parties to the Minamata Convention will need to take careful note of both the level of contributions and their timing in order to ensure the effective functioning of the secretariat. According to rule 5 of the draft financial rules of the Convention, contributions for each calendar year are expected to be received by 1 January of that year. All contributions are to be paid in United States dollars or the equivalent in a convertible currency.

65. Furthermore, in view of the stringent liquidity management regime, the United Nations Board of Auditors has recommended that all multilateral environmental agreements, conventions and regional seas convention programmes should establish a funded operative reserve (working capital reserve) of 15 per cent, to cushion uneven cash flows and unanticipated programme budget fluctuations, within limited thresholds set by the governing bodies. The working reserve for the Minamata Convention will need to be built up. It can be done on an incremental basis and may take a number of years to build, according to a timetable set by the Conference of the Parties.

F. Additional factors and considerations

66. Although the deployment costs of Umoja were initially absorbed centrally by United Nations Headquarters and by UNEP, future operating costs, including licence fees, will be passed on to user entities, including the secretariat of the Minamata Convention. The Convention will be required to contribute to those costs based on a formula provided by United Nations Headquarters. Under IPSAS, audited financial statements must be produced annually, requiring audit charges to be budgeted for by the Convention.

67. The United Nations Secretariat has implemented a cost-recovery system. As a result, certain costs that were previously managed by and covered centrally by UNEP – including office rent, administrative charges related to rent-free office space, maintenance costs, local security charges and communication infrastructure operating costs – will now be allocated on a user-pay system. As such, provision will need to be made for such charges in the future and the Convention secretariat will present that information as part of its programme of work and budget.

68. In accordance with the Financial Regulations and Rules of the United Nations, a charge of 13 per cent for programme support costs is payable to UNEP to recover the incremental costs incurred when supporting activities are financed from contributions. In line with standard practice on the use of programme support costs, UNEP will provide an annual allocation to the Convention to help cover the costs of support services. It is estimated that the programme support costs allocated to the secretariat of the Convention will cover part of the cost of an administrative and finance officer (P-3 level) and a finance assistant. The administrative and finance officer will provide fund management, financial services and logistics support, as well as administrative and human resources functions for the secretariat.

69. The figures used to estimate the staffing costs for the proposed budget for the biennium 2018–2019 are based on the actual costs of the secretariat of the Basel, Rotterdam and Stockholm conventions for all the Geneva-based options. Standard staffing costs are used for option 2 in other locations. The different options and their varying staffing costs are reflected in addendum 2 to the present note (UNEP/MC/COP.1/21/Add.2).

70. Depending on the decisions taken at the first meeting, the resources of the Convention may include a host country contribution to the General Trust Fund and the voluntary Special Trust Fund.

71. Given that many elements affect the overall programme of work and budget parameters, a fourth addendum to the present note (UNEP/MC/COP.1/21/Add.4) provides an overview presentation of the programme of work and budget by all secretariat arrangement options.

72. The proposed budget for the biennium 2018–2019 has been reviewed for the Executive Director of UNEP by the Division of Corporate Services as part of the established process for the preparation of proposed budgets.

III. Suggested action by the Conference of the Parties

73. Having considered the present note on the programme of work for the secretariat and the budget for the Minamata Convention for the biennium 2018–2019 and addenda 1–4 on, respectively, assessed contributions, resources needed for activities and resources required for staffing, and in the light of the outcome of the decisions of the Conference on the arrangements for and location of the permanent secretariat, the Conference of the Parties may wish to finalize its deliberations on the budget and adopt a decision along the lines set out in annex I.

Annex I

Draft decision MC-1/X: programme of work of the secretariat and proposed budget for the biennium 2018–2019

The Conference of the Parties,

Taking note of the decision on the arrangements for the functions of the secretariat, and the location of the secretariat,

I

General Trust Fund for the Minamata Convention on Mercury

1. *Takes note* of the programme of work for the Secretariat for the biennium 2018–2019 as contained in the note by the Secretariat;
2. *Approves* the programme budget for the Minamata Convention for the biennium 2018–2019 of [] United States dollars for 2018 and [] United States dollars for 2019 for the purposes set out in table [] of the present decision;
3. *Authorizes* the Executive Secretary of the Minamata Convention to make commitments in an amount up to the approved operational budget, drawing upon available cash resources;
4. *Decides* to begin to build the working capital reserve that is to reach 15 per cent by [] of the annual average of a biennial operational budget, and set [] as the target for the biennium 2018–2019;
5. [*Welcomes* the annual contribution by Switzerland, the host country of the Secretariat, of [] to [];
6. [Notes that Switzerland's host country contribution of [] will be apportioned [] per cent to the General Trust Fund and [] per cent to the voluntary Special Trust Fund for 2018, 2019 and thereafter;]
7. *Adopts* the indicative scale of assessments for the apportionment of expenses for the biennium 2018–2019 set out in table [] 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 enters into force before 1 January 2018 for 2018 and before 1 January 2019 for 2019;
8. *Recalls* that contributions to the Minamata Convention Trust Fund are due by or on 1 January of the year for which those contributions have been budgeted, and requests parties to pay their contributions promptly to enable the secretariat to commence its work immediately;
9. *Approves* the indicative staffing table for the secretariat for the biennium 2018–2019 used for costing purposes to set the overall budget, which is set out in table [] of the present decision;

II

Special Trust Fund of the Minamata Convention

10. *Agrees* to the funding estimates included in table [] of the present decision for activities under the Convention to be financed from the Special Trust Fund in the amount of [] United States dollars for 2018 and [] United States dollars for 2019;
11. *Requests* parties and invites non-parties to the Convention and others in a position to do so, to contribute to the Special Trust Fund so as to enable support for capacity-building and technical assistance in accordance with Article 14;
12. *Requests* parties and invites non-parties to the Convention and others in a position to do so, to contribute to the Special Trust Fund so as to support the participation of representatives of developing countries that are parties to the Convention in the meetings of the Conference of the Parties and its subsidiary bodies;

13. [Invites Switzerland to include in its contribution to the voluntary Special Trust Fund support for, among other things, the participation of developing countries that are parties to the Convention, in particular least developed countries and small island developing States, and parties with economies in transition, in meetings of the Convention and joint activities between the Basel, Rotterdam and Stockholm conventions];

III

Current biennium and preparations for the next biennium

14. *Requests* the Executive Secretary at the second meeting of the Conference of the Parties to provide an update on [] and, where relevant, cost estimates for actions that have budgetary implications that were not foreseen in the first programme of work but are included in proposed draft decisions, before the adoption of those decisions by the Conference of the Parties, and therefore have budgetary implications in the current biennium;

15. *Requests* the Executive Secretary to prepare a budget for the biennium 2020–2021, for consideration by the Conference of the Parties at its third meeting in 2019, explaining the key principles, assumptions and programmatic strategy on which the budget is based and presenting expenditures for the that biennium in a programmatic format.

Annex II

List of proposed activities included in the Minamata Convention on Mercury programme of work for the period 2018–2019

| <i>Activity number</i> | <i>Headings and activity description</i> |
|--|---|
| 1. Conferences and meetings | |
| 1 | Second meeting of the Conference of the Parties |
| 2 | Third meeting of the Conference of the Parties |
| 3 | Bureau of the Conference of the Parties |
| 4 | Implementation and Compliance Committee |
| 2. Capacity-building and technical assistance | |
| 5 | Capacity-building and technical assistance programme of the Minamata Convention |
| 3. Scientific and technical activities | |
| 6 | Scientific support to the States parties to the Minamata Convention |
| 7 | Effectiveness evaluation and the global monitoring plan |
| 8 | National reporting under the Minamata Convention |
| 4. Knowledge and information management, and outreach | |
| 9 | Publications |
| 10 | Communication, outreach and public awareness |
| 5. Overall management | |
| 11 | Executive direction and management |
| 12 | International cooperation and coordination |
| 13 | Financial resources and mechanism |
| 6. Legal and policy activities | |
| 14 | Legal and policy activities |
| 7. Office maintenance and services | |
| 15 | Office maintenance and services |
| 16 | Information technology services |