Initial consideration of the operation of the financial mechanism, in particular relating to the specific international programme to support capacity-building and technical assistance

Note by the secretariat

1. In paragraph 5 of article 13, the Minamata Convention on Mercury defines 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 6 of article 13 provides that the mechanism shall include the Global Environment Facility trust fund and a specific international programme to support capacity-building and technical assistance. Paragraph 7 sets out parameters for support to be provided by the Global Environment Facility (GEF), while paragraph 8 indicates that in providing resources, GEF should take into account the potential mercury reduction of a proposed activity relative to its cost.

Global Environment Facility

2. The operation of the financial mechanism in relation to GEF, and the guidance to be provided on overall strategies, policies, programme priorities and eligibility for access to and utilization of financial resources, is discussed in the note by the secretariat on the subject (UNEP(DTIE)/Hg/INC.6/21) and will not be considered further here. Likewise, working relations with GEF, including the development of a memorandum of understanding between the Conference of the Parties and the GEF Council, are discussed in the note by the secretariat on that subject (UNEP(DTIE)/Hg/INC.6/23) and will not be considered further in the present note.
Specific international programme

3. In paragraph 6 (b) of article 13, the Convention specifies that the specific international programme will support capacity-building and technical assistance. Paragraph 10 of article 13 specifies that, at the first meeting of the Conference of the Parties, the Conference of the Parties and the entities constituting the mechanism shall agree upon arrangements to give effect to the operation of the financial mechanism.

4. In considering those arrangements, the Conference of the Parties may wish to consider further the specific international programme, including how to define capacity-building and technical assistance. In doing so, the Conference may find it beneficial to consider the expected outcome of capacity-building and technical assistance activities. The scope of the specific international programme may also be elaborated, noting the role of the Conference of the Parties in guiding the work of the programme.

5. In paragraph 9 of article 13, the Convention provides that the specific international programme will be operated under the guidance of and be accountable to the Conference of the Parties. It also provides that the Conference of the Parties shall, at its first meeting, decide on the hosting institution for the programme, which shall be an existing entity, and provide guidance to it, including on its duration. All parties and other relevant stakeholders are invited to provide financial resources to the programme, on a voluntary basis.

6. In preparing its guidance for the specific international programme, the Conference of the Parties may wish to consider the need for a governance structure and the means of providing governance. Consideration could also be given to other existing and relevant mechanisms, including the special programme to support institutional strengthening at the national level to enhance implementation 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, the Stockholm Convention on Persistent Organic Pollutants, the Minamata Convention and the Strategic Approach to International Chemicals Management agreed to at the first meeting of the United Nations Environment Assembly. The resolution by which the Assembly adopted the terms of reference for the special programme and requested the Executive Director of UNEP to establish it is available to the committee in an information document (UNEP(DTIE)/Hg/INC.6/INF/2).

7. In selecting the hosting institution for the specific international programme, there are number of potentially suitable entities, each with its own strengths and weaknesses, that the Conference of the Parties may wish to consider. The selection of an existing suitable institution might depend on such factors as the type of activities for which the international programme is to provide capacity-building and technical assistance, whether support is to be delivered through implementing agencies or directly to parties, and other operational aspects of the programme.

8. In paragraph 6 of its resolution on arrangements in the interim period (UNEP(DTIE)/Hg/CONF/4, annex I), the Conference of Plenipotentiaries requested the intergovernmental negotiating committee to focus its efforts on those matters required by the Convention to be decided upon by the Conference of the Parties at its first meeting, including in particular arrangements for the operation of the financial mechanism, among other things.

9. The committee may wish to consider further the indicative list of issues noted above and to identify any other issues to be considered in preparing for the first meeting of the Conference of the Parties. The committee may also wish to request the secretariat to prepare additional documents relating to the operation of the financial mechanism, including with regard to experiences under other multilateral environmental agreements.