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**Conference of the Parties to the
Minamata Convention on Mercury
Fourth meeting**

Online, 1–5 November 2021*

Item 4 (e) (i) of the provisional agenda**

**Matters for consideration or action by the
Conference of the Parties: financial resources
and mechanism: Global Environment Facility**

The eighth replenishment of the Global Environment Facility trust fund

Note by the secretariat

I. Introduction

1. In paragraph 5 of article 13, on financial resources and mechanism, the Minamata Convention on Mercury defines a mechanism for the provision of adequate, predictable and timely financial resources to support developing-country parties and parties with economies in transition in implementing their obligations under the Convention. Paragraph 6 of the same article states that the mechanism is to include the Global Environment Facility (GEF) trust fund and a specific international programme to support capacity-building and technical assistance.
2. The present note provides information pertaining to the eighth replenishment of the Global Environment Facility (GEF-8), which will commence in July 2022 and continue for four years, until June 2026. The replenishment is the subject of negotiations under way within the GEF Assembly to determine the resource allocations and programming directions for GEF-8. The GEF Council is expected to take up the outcomes of the Assembly's deliberations in a decision to open the eighth replenishment period in June 2022.
3. At its fifty-ninth meeting, in December 2020, the GEF Council requested the trustee of the GEF trust fund (the World Bank), in cooperation with the GEF secretariat, to initiate discussions for the eighth replenishment of the trust fund. The report of the GEF Council to the Conference of the Parties to the Minamata Convention (UNEP/MC/COP.4/INF/7) contains additional information on the replenishment. The September 2021 draft of a document setting out the strategic positioning and programming directions for GEF-8 is reproduced in document UNEP/MC/COP.4/INF/8.
4. In its role as one of the entities entrusted with the operation of the financial mechanism of the Convention, GEF operates under the guidance of the Conference of the Parties regarding overall strategies, policies, programme priorities and eligibility for access to and utilization of financial resources. The guidance was adopted by the Conference of the Parties at its first meeting, as set forth in decision MC-1/5. This guidance will continue to be applicable in the GEF-8 period, unless and until

* The resumed fourth meeting of the Conference of the Parties to the Minamata Convention on Mercury is to convene in person in Bali, Indonesia, and is tentatively scheduled for the first quarter of 2022.

** UNEP/MC/COP.4/1.

the parties decide to issue new guidance. It is therefore to be expected that the replenishment process will be responsive to the guidance.

5. In addition to determining programming directions, the replenishment negotiations will determine levels of funding pledged by countries for the full GEF-8 replenishment period of 2022–2026, as well as allocations between and among GEF focal areas and programmes. Accordingly, the replenishment process will determine the funding available within the chemicals and waste focal area and, within that, funding available to support the implementation of the Minamata Convention.

6. During the seventh replenishment of the GEF trust fund (GEF-7), resources of \$206 million were allocated to the Minamata Convention, within an allocation of \$599 million for the chemicals and waste focal area that represented 15 per cent of the full GEF-7 resource envelope of \$4.1 billion. This GEF-7 level of Minamata Convention resources was a significant increase over the level of \$141 million from the sixth GEF replenishment. The figure below shows the chemicals and waste funding relative to the full GEF-7 envelope.

Portfolio distribution by resources to GEF-7 focal areas

Biodiversity		Land degradation		International waters	Corporate programmes
33%		20.5%	12.1%	15.3%	11.8%
	Climate change			Chemicals and waste	Non-grant instruments
					3.5% 3.8%

7. At the first GEF-8 replenishment meeting, the GEF Chief Executive Officer noted the importance of the GEF-8 investment period for the world's sustainable recovery from the coronavirus disease (COVID-19) pandemic and progress towards the 2030 international environmental goals. In her address to the GEF Council in June 2021, the Executive Secretary of the Minamata Convention stressed the importance of full implementation of the Convention for the blue and green recovery, noting that the GEF-8 period would see numerous time-bound deadlines of the Convention falling due for the parties, such that robust funding in GEF-8 would be essential to the parties' abilities to fully meet their obligations under the Convention. She further noted the need to raise the level of ambition, seek larger global environmental benefits in terms of emissions reductions and achieve transformative change in trade and supply chains related to mercury.

8. The replenishment negotiations and the associated GEF-8 Technical Advisory Group meetings involve GEF partners. Secretariats of the conventions for which GEF serves as a financial mechanism are invited to attend the meetings as observers. Civil society, including indigenous peoples and other stakeholders, offer advice and voice their views during the replenishment negotiations. The GEF Scientific and Technical Advisory Panel is also engaged in the replenishment process.

II. Replenishment timeline

9. The relevant milestones in the replenishment process, as well as the engagement of the secretariat in activities to date, are set forth below:

8–11 February 2021 – Technical Advisory Group meeting – The secretariat participated throughout, including in several breakout sessions such as those on greening of supply chains, unified action towards 2030 goals and commitments, One Health, circular economy, private sector engagement, behaviour change, and gender and environmental goals.

25 March 2021 – The secretariat provided comments on the strategic positioning and programming directions document in advance of its distribution to participants for the first replenishment meeting. The secretariat's comments noted good alignment with the needs of the Minamata Convention and provided limited suggestions on the overall framing and on the technical scope of the relevant elements.

22 and 23 April 2021 – First replenishment meeting – The secretariat attended the meeting. Participants were requested to submit written comments on the strategic positioning and programming directions document by 28 May 2021 for its further revision prior to the second meeting.

29 September–1 October 2021 – Second replenishment meeting, to discuss the second draft of the strategic positioning and programming directions document, among other things.

17–19 January 2022 – Third replenishment meeting, to decide on the final strategic positioning and programming directions document.

14–16 March 2022 – Fourth replenishment meeting, to finalize donor pledges and the financing framework.

22–24 May 2022 – GEF Council meeting, to issue a decision on the Summary of Negotiations of the Eighth Replenishment of the GEF Trust Fund.

25 and 26 May 2022 – GEF Seventh Assembly, to endorse the Report on the Eighth Replenishment of the GEF Trust Fund.

July 2022 – World Bank Executive Directors adopt a resolution to formally start GEF-8.

III. Programming directions for the eighth replenishment

10. In the draft strategic positioning and programming directions document for GEF-8,¹ GEF sets forth the context and background for the replenishment and frames the GEF-8 strategy against the backdrop of the COVID-19 pandemic, mounting stressors on natural systems and the need to finance a transformative agenda for the health of people and the planet. It highlights GEF financial support as a critical means of mobilizing broader financial flows, including domestic finance. The document identifies five cross-cutting themes as priorities for programming: gender responsiveness, private-sector engagement, nature-based solutions, circular economy and resilience. It also identifies four specific levers for transformation: governance and policies, financial leverage, innovation and multi-stakeholder dialogues.

11. The draft programming directions framework builds on the GEF-7 dual approach of integrated programming for systems transformation and focal area commitments. These are designed to be mutually reinforcing. The proposed “elimination of harmful chemicals from supply chains” integrated programme is designed to contribute directly to mercury reductions. Certain other proposed integrated programmes would also be expected to deliver mercury benefits.

12. The draft strategy for the chemicals and waste focal area set forth in the document is framed within the relevant Convention guidance and proposes the following objectives:

- (a) Creation, strengthening and supporting of the enabling environment to transform the manufacture, use and sound management of chemicals and to eliminate waste and chemical pollution;
- (b) Prevention of future build-up of harmful chemicals and waste in the environment;
- (c) Elimination of harmful chemicals and waste containing or that can emit harmful chemicals from the environment.

13. Specific types of activities are envisioned under each of these objectives. These include a continuation of enabling activities that have been a prominent part of GEF mercury programming. They also include activities that address substantive obligations under the Convention, such as continued work on mercury-added products and their wastes, mercury use in industrial processes, mercury emissions sources and artisanal and small-scale gold mining.

14. In its review of the initial draft strategic positioning and programming directions document, the secretariat found the draft strategy for the chemical and waste focal area to be well aligned with the needs of the Minamata Convention. In addition, the secretariat found the strategy’s strong focus on health to be consistent with the objective of the Convention.

15. GEF-8 spans a period when many time-bound obligations of the Convention will require strong implementation efforts by parties, including several of the obligations timed from the date of entry into force for the party. Parties will continue to implement the 2020 products deadline and will need to plan and address the chlor-alkali sector and other industrial processes and have best available technologies and best environmental practices in place for new emissions sources. Furthermore, as the Convention moves closer to universal membership, there will be an ongoing need for enabling activities.

¹ This section is based on the April 2021 version of the document and may not capture changes in the September 2021 version set out in document UNEP/MC/COP.4/INF/8.

IV. Suggested action by the Conference of the Parties

16. The Conference of the Parties may wish to take note of the information herein regarding the timeline, funding priorities and draft programming directions that are the subject of deliberations for the GEF-8 replenishment. Parties may wish to further make use of the information in the context of their national processes relative to the GEF replenishment.
