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**United Nations
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**Conference of the Parties to the
Minamata Convention on Mercury
Third meeting**

Geneva, 25–29 November 2019

Item 5 (e) (i) of the provisional agenda*

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

Update on matters related to the Global Environment Facility

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 Trust Fund and a specific international programme to support capacity-building and technical assistance.

2. The present note provides information relevant to the first entity of the financial mechanism,¹ namely the Global Environment Facility (GEF), and is to be considered in conjunction with document UNEP/MC/COP.3/9/Add.1, which sets out the executive summary of the report of the GEF Council to the Conference of the Parties to the Minamata Convention at its third meeting. The full report is set out in the annex to document UNEP/MC/COP.3/INF/2.

II. Global Environment Facility programming on mercury

3. The report of GEF to the Conference of the Parties at its third meeting provides an account of GEF support to the Minamata Convention during the reporting period 1 July 2018–30 June 2019. To date, GEF has provided support to enable a total of 111 countries to develop their Minamata initial assessments (MIAs) and 35 countries to prepare their artisanal and small-scale gold mining (AGSM) national action plans.

4. A total of \$4.1 billion was pledged by donors for the seventh replenishment of the GEF trust fund (GEF-7). The four-year investment cycle started in July 2018 and will conclude in June 2022.

5. A total of \$599 million was indicatively allocated to the chemicals and waste focal area in GEF-7, representing 15 per cent of the total GEF-7 resource envelope. Of that amount, \$206 million was indicatively allocated to the implementation of the Minamata Convention, which is significantly

* UNEP/MC/COP.3/1.

¹ Documents UNEP/MC/COP.3/10 and UNEP/MC/COP.3/10/Add.1 set out information relevant to the second entity of the financial mechanism, namely the Specific International Programme to Support Capacity-Building and Technical Assistance.

more than the \$141 million dollars allocated in the sixth replenishment (GEF-6), which covered the period 1 July 2014–30 June 2018.

6. The seventh replenishment of GEF (GEF-7) aims to support the implementation of the Minamata Convention, with funding for the Convention included in the GEF-7 chemicals and wastes programming strategy and comprising support both for enabling activities and for implementation projects and programmes.

7. The GEF-7 programming strategy aims to reduce, eliminate, phase out and avoid 100,000 metric tons of chemicals covered by the Stockholm Convention on Persistent Organic Pollutants, the Minamata Convention and the Montreal Protocol on Substances that Deplete the Ozone Layer and further reduce the emission of 1,300 grams of toxic equivalent/per year (gTEQ/yr) of unintentionally produced persistent organic pollutants.

8. During the reporting period, GEF committed \$22.6 million for programming to support the implementation of the Minamata Convention.²

9. As part of GEF-7, in June 2019 the GEF Council at its fifty-sixth meeting approved two key programmes or projects supporting the implementation of the Minamata Convention. The first is a programme on implementing sustainable low- and non-chemical development in small islands developing States (ISLANDS) that includes 27 small island developing States.³ The ISLANDS programme, implemented by the United Nations Environment Programme (UNEP), Inter-American Development Bank (IDB), Food and Agriculture Organization of the United Nations (FAO) and the United Nations Development Programme (UNDP), is focused on preventing the build-up of materials and chemicals in the environment that contain persistent organic pollutants, mercury and other harmful chemicals in small island developing States, and managing and disposing of existing stockpiles of harmful chemicals that accumulate across the regions. The programme also includes a global child project, led by UNEP, that will facilitate engagement with the secretariats of multilateral environmental agreements, such as the Stockholm and Minamata conventions, to demonstrate the impact of such chemicals on children at the global level. The ISLANDS programme is expected to remove 38 metric tons of mercury from the environment, including from products containing mercury.

10. The second is a mercury-related project, led by the African Development Bank, on scaling up investment and technology transfer to facilitate capacity strengthening and technical assistance for the implementation of Stockholm and Minamata Conventions in African LDCs (AFLDC-2). The project will promote a circular economy approach with national development frameworks to achieve economic development, while scaling up investments and best available techniques and best environmental practices to eliminate, reduce and control persistent organic pollutants and mercury pollution sources in 11 African least developed countries.⁴ The project is expected to reduce, phase out and avoid 45 metric tons of mercury, including from products containing mercury.

11. GEF also funded a project on reducing global environmental risks through the monitoring and development of alternative livelihood for the primary mercury mining sector in Mexico to address primary mercury mining covered under article 3 of the Minamata Convention. The project aims to prevent the risks to environmental and human health from mercury through the establishment of a comprehensive strategy to control primary mercury mining and to enable environmentally and socially sound alternative economic activities and livelihoods in Mexico. The country has a significant primary mercury mining sector which is located in biodiversity-rich areas, such as the Sierra Gorda Biosphere Reserve. Much of the mercury mined in Mexico is exported to South America for use in the artisanal and small-scale gold mining (ASGM) sector. The project will support the Government in monitoring primary mercury mining to fulfil its obligations under the Convention and introduce alternative livelihoods so that miners are able to adopt alternative income generation activities. It will deliver global environmental benefits by reducing 560 metric tons of mercury and lead to improved practices on 2,000 hectares of land over the project lifetime. It will also help to reduce the flow of mercury to the ASGM sector.

² Excluding agency fees and project preparation grants.

³ Antigua and Barbuda, Barbados, Belize, Comoros, Cook Islands, Dominican Republic, Fiji, Guyana, Kiribati, Maldives, Marshall Islands, Mauritius, Micronesia (Federated States of), Nauru, Niue, Palau, Papua New Guinea, Saint Kitts and Nevis, Saint Lucia, Samoa, Seychelles, Solomon Islands, Suriname, Tonga, Trinidad and Tobago, Tuvalu, Vanuatu.

⁴ Angola, Ethiopia, Gambia, Guinea, Liberia, Mauritania, Senegal, Sierra Leone, Togo, Uganda, Zambia.

III. Cooperation between the secretariat of the Global Environment Facility and the secretariat of the Minamata Convention on Mercury

12. The GEF secretariat and the secretariat of the Minamata Convention have continued their cooperation during the reporting period. A delegation from the GEF secretariat attended the second meeting of the Conference of the Parties to the Minamata Convention and both secretariats have continued to work closely together following that meeting.

13. The Executive Secretary attended and addressed the fifty-fifth and fifty-sixth meetings of the GEF Council, both of which were held in Washington, D.C., from 17 to 20 December 2018 and from 11 to 13 June 2019, respectively. A senior representative of the secretariat also participated in a number of working meetings during the December 2018 GEF Council meeting. The Executive Secretary attended and addressed the launch event for the GEF Global Opportunities for the Long-term Development of the ASGM Sector (GEF GOLD), held in London on 18 and 19 February 2019, where she also participated in panels and workshop sessions. The GEF GOLD programme aims to reduce the use of mercury in artisanal gold mining and introduce and facilitate access to mercury-free extraction methods, while also working with Governments to formalize the sector, and promoting miners' rights and safety, and their access to markets. Spanning eight countries, this five-year programme, which was approved in 2017, with a value of \$180 million, is a partnership between GEF, UNEP, UNDP, the United Nations Industrial Development Organization, Conservation International and the Governments of Burkina Faso, Colombia, Guyana, Indonesia, Kenya, Mongolia, Peru and the Philippines.

14. The secretariat of the Minamata Convention and the GEF secretariat continue to work closely together to make information publicly available on all projects funded by GEF for the implementation of the Minamata Convention.⁵ Information on many GEF-funded projects of relevance to the Convention's Minamata initial assessments, ASGM national action plans and other enabling activities is already accessible and is being added to as final reports become available, including those for completed enabling activities. As at August 2019, a total of 29 completed MIA reports have been posted on the Minamata Convention website upon request by the GEF secretariat.⁶

15. A further area of cooperation between the secretariat of the Minamata Convention and the GEF secretariat is in the appraisal process of applications to the Specific International Programme to Support Capacity-Building and Technical Assistance. A representative of the GEF secretariat contributed to the appraisals in the first round (2018) of applications prepared by the secretariat of the Minamata Convention for the Governing Board of the Specific International Programme. The representative also attended the meeting of the Governing Board in Oslo in October 2018, as an observer, to provide input as requested by the Board. The GEF secretariat also participated in the two-day online task team meeting hosted by the secretariat of the Minamata Convention in July 2019 to prepare the appraisals for the second round (2019) of applications. Furthermore, in September 2019 the GEF secretariat will host the fourth meeting of the Governing Board, at which the Board is expected to approve project proposals for funding under the second round. The positive collaboration between the two secretariats has been essential to ensuring complementarity and avoiding duplication of funding allotment with GEF, in accordance with the terms of reference for the Specific International Programme.

IV. Memorandum of understanding between the Conference of the Parties to the Minamata Convention and the Council of the Global Environment Facility

16. In paragraph 2 of its resolution on financial arrangements of the Convention, the Conference of Plenipotentiaries on the Minamata Convention on Mercury, decided that a draft memorandum of understanding should be developed between the Conference of the Parties and the GEF Council on arrangements to give effect to the relevant provisions of paragraphs 5 to 8 of article 13.

17. Accordingly, the draft memorandum of understanding was developed, agreed to on a provisional basis during the seventh and final session of the intergovernmental negotiating committee to prepare a legally binding instrument on mercury in March 2016 and sent to the GEF Council for its

⁵ <http://www.mercuryconvention.org/Implementation/Projectsdatabase>.

⁶ <http://www.mercuryconvention.org/Countries/Parties/MinamataInitialAssessments/tabid/6166/language/en-US/Default.aspx>.

final consideration. The GEF Council considered the draft memorandum of understanding at its fifty-first meeting and directed the GEF secretariat to transmit it, along with any comments from the Council, to the Conference of the Parties. The draft memorandum of understanding was presented to the Conference of the Parties at its first meeting for its consideration (UNEP/MC/COP.1/15, annex II).

18. At its first meeting, the Conference of the Parties discussed the matter and agreed to defer further consideration thereof to its second meeting (UNEP/MC/COP.1/29, para. 75).

19. The draft memorandum of understanding was presented to and adopted by the Conference of the Parties at its second meeting as set out in annex II to document UNEP/MC/COP.2/8 (UNEP/MC/COP.2/19, para. 83).

20. Following the conclusion of the second meeting of the Conference of Parties, the memorandum of understanding, as adopted, was communicated to the GEF Council, which at its fifty-sixth meeting considered and approved the memorandum as adopted by the Conference of the Parties.⁷

21. The memorandum of understanding between the Conference of the Parties and the GEF Council is now in effect.

V. Review of the financial mechanism of the Minamata Convention on Mercury

22. Paragraph 11 of article 13 of the Convention stipulates that the Conference of the Parties is to 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 the entities entrusted to operationalize the financial mechanism, the effectiveness of those entities and their ability to address the changing needs of developing-country parties and parties with economies in transition. Based on its review, the Conference of the Parties is to take appropriate action to improve the effectiveness of the financial mechanism.

23. At its second meeting, the Conference of the Parties agreed to request the secretariat to compile the information to be provided by GEF, the Specific International Programme, parties and other relevant sources, which was identified in paragraph 11 of article 13 of the Convention as being necessary for the review of the financial mechanism of the Convention, and to present a synthesis of such information for consideration by the Conference of the Parties at its third meeting.

24. Following the second meeting of the Conference of the Parties, the Executive Secretary addressed a request for this information to the Chief Executive Officer and Chairperson of GEF. The input provided by the GEF secretariat was well-received and is reproduced in document UNEP/MC/COP.3/11.

VI. Suggested action by the Conference of the Parties

25. The Conference of the Parties may wish to discuss how to assess whether it needs to prepare additional guidance as input to the consideration of the eighth replenishment of GEF, which is expected to take place in 2021.

⁷ Joint summary of the chairs of the fifty-sixth GEF Council meeting, decision on agenda item 15. Available at <https://www.gefio.org/sites/default/files/ieo/council-documents/files/c-56-joint-summary-chairs.pdf>.