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**United Nations  
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**Intergovernmental negotiating committee  
to prepare a global legally binding instrument  
on mercury  
Sixth session**

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Item 3 (b) of the provisional agenda\*

**Work to prepare for the entry into force of the Minamata  
Convention on Mercury and for the first meeting of the  
Conference of the Parties: matters required by the  
Convention to be decided upon by the Conference of the  
Parties at its first meeting**

**Draft financial rules for the Conference of the Parties to the  
Minamata Convention on Mercury**

**Note by the secretariat**

1. In its paragraph 4, Article 23 of the Minamata Convention on Mercury provides that the Conference of the Parties “shall by consensus agree upon and adopt at its first meeting rules of procedure and financial rules for itself and any of its subsidiary bodies...”
2. In preparing for the adoption of the financial rules by the Conference of the Parties at its first meeting, the secretariat has reviewed the financial rules 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. It was noted by the secretariat that the financial rules of the three conventions have been modified to reflect the establishment of their joint secretariat. Based on the consideration of the above-mentioned financial rules and the specific requirements of the Minamata Convention, draft financial rules of the Minamata Convention are set out in the annex to the present note.
3. Text referring to the presentation of the budget in a format harmonized with the format used by the Basel, Rotterdam and Stockholm conventions has been included in square brackets for reference purposes. The intergovernmental negotiating committee may wish to consider the advantage of a harmonized format within the chemicals and waste cluster for comparative exercises and for ease of comprehension, irrespective of any future decision about operational cooperation between the secretariats of the chemicals and waste conventions.
4. The draft financial rules include bracketed references to contributions to be made by the Government hosting the Convention Secretariat. Similar references are included in the financial rules of the Stockholm and Rotterdam conventions, but not of the Basel Convention

\* UNEP(DTIE)/Hg/INC.6/1.

5. In paragraph 6 of its resolution on arrangements in the interim period, the Conference of Plenipotentiaries on the Minamata Convention requested the 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 draft financial rules for the Conference of the Parties, among other things.
6. The Committee may wish to consider the draft financial rules and agree to forward them to the Conference of the Parties at its first meeting for consideration and possible adoption.

## Annex

### **Draft financial rules for the Conference of the Parties to the Minamata Convention on Mercury**

#### **Financial rules for the Conference of the Parties, its subsidiary bodies and the Secretariat of the Minamata Convention on Mercury**

##### **Scope**

##### **Rule 1**

The present rules shall govern the financial administration of the Conference of the Parties to the Minamata Convention on Mercury, its subsidiary bodies and the Convention Secretariat. In respect of matters not specifically provided for by the present rules, the Financial Regulations and Rules of the United Nations shall apply.

##### **Financial period**

##### **Rule 2**

The financial period shall be a calendar year.

##### **Budget**

##### **Rule 3**

1. The head of the Secretariat of the Minamata Convention on Mercury shall prepare the budget estimates for the following biennium in United States dollars showing projected income and expenditures for each year. 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 head of the Secretariat shall dispatch the estimates, as well as the actual income and expenditure for each year of the previous biennium and estimates of actual expenditure in the current biennium, to all Parties to the Convention at least 90 days before the opening of the meeting of the Conference of the Parties at which the budget is to be adopted.

2. The Conference of the Parties shall, prior to the commencement of the financial period that the budget covers, consider the budget estimates and adopt an operational budget by consensus authorizing expenditures, other than those referred to in rule 4, paragraphs 3 and 4.

3. The head of the Secretariat shall provide the Conference of the Parties with cost estimates for actions that have budgetary implications that are not foreseen in the draft programme of work but are included in proposed draft decisions prior to the adoption of those decisions by the Conference of the Parties.

4. Adoption of the operational budget by the Conference of the Parties shall constitute authority to the head of the Secretariat to incur obligations and make payments for the purposes for which the appropriations were approved and up to the amounts so approved, provided always that, unless specifically authorized by the Conference of the Parties, commitments shall be covered by related received funds.

5. The head of the Secretariat may make transfers within each of the main appropriation lines of the approved operational budget. The head of the Secretariat may also make transfers between such appropriation lines up to 20 per cent unless another limit is set by the Conference of the Parties.

##### **Funds**

##### **Rule 4**

1. A General Trust Fund for the Convention shall be established by the Executive Director of the United Nations Environment Programme and managed by the head of the Secretariat. The fund is to provide financial support for the work of the Convention Secretariat. Contributions made pursuant to rule 5, paragraph 1 (a), shall be credited to this fund. Contributions made to offset

operational budget expenditures that are made pursuant to rule 5, [paragraph 1 (b), by the Government hosting the Convention Secretariat or pursuant to rule 5,] paragraph 1 (c), by the United Nations Environment Programme shall also be credited to this fund. All budget expenditures that are made pursuant to rule 3, paragraph 4, shall be charged to the General Trust Fund.

2. Within the General Trust Fund there shall be maintained a working capital reserve at a level to be determined from time to time by the Conference of the Parties by consensus. The purpose of the working capital reserve shall be to ensure continuity of operations in the event of a temporary shortfall of cash. Drawdowns from the working capital reserve shall be restored to its established level as soon as possible and no later than the beginning of the following year.

3. A Special Trust Fund shall be established by the Executive Director of the United Nations Environment Programme and managed by the head of the Secretariat. This fund shall receive contributions pursuant to rule 5, paragraphs 1 (b) and (c), to support, in particular:

(a) Facilitation and promotion of technical assistance, training and capacity-building in accordance with Article 14;

(b) Participation of representatives of developing-country Parties, in particular least-developed-country Parties and small island developing States among them, and of Parties with economies in transition in the meetings of the Conference of the Parties and its subsidiary bodies pursuant to the procedure set out in the annex to the financial rules;

(c) Other appropriate purposes consistent with the objectives of the Convention.

4. Subject to the approval of the Conference of the Parties, the Executive Director of the United Nations Environment Programme may establish other trust funds, provided that they are consistent with the objectives of the Convention.

5. In the event that the Conference of the Parties decides to terminate a trust fund established pursuant to the present rules, it shall so advise the Executive Director of the United Nations Environment Programme at least six months before the date of termination so decided. The Conference of the Parties shall decide, in consultation with the Executive Director of the United Nations Environment Programme, on the distribution of any uncommitted balances after all liquidation expenses have been met.

## **Contributions**

### **Rule 5**

1. The resources of the Conference of the Parties shall comprise:

(a) Contributions made each year by Parties on the basis of an indicative scale adopted by consensus by the Conference of the Parties and based on such a scale of assessments of the United Nations as may be adopted from time to time by the General Assembly, adjusted so as to ensure that no Party contributes less than 0.001 per cent of the total, that no one contribution exceeds 22 per cent of the total and that no contribution from a least developed country Party exceeds 0.01 per cent of the total;

(b) Contributions made each year by Parties in addition to those made pursuant to paragraph (a) [including those made by the Government hosting the Convention Secretariat];

(c) Contributions from States not Parties to the Convention, as well as governmental, intergovernmental and non-governmental organizations and other sources;

(d) The uncommitted balance of income received from previous financial periods;

(e) Miscellaneous income.

2. The Conference of the Parties shall, in adopting the indicative scale of contributions referred to in rule 5, paragraph 1 (a), make adjustments to take account of contributions of Parties that are not members of the United Nations, as well as those of regional economic integration organizations that are Parties.

3. In respect of contributions made pursuant to rule 5, paragraph 1 (a):

(a) Contributions for each calendar year are expected by 1 January of that year and should be paid promptly and in full. Parties should be notified of the amount of their contributions for a given year by 15 October of the previous year;

(b) Each Party shall, as far in advance as possible of the date due for the contribution, inform the head of the Secretariat of the contribution it intends to make and of the projected timing of that contribution;

(c) If contributions of any Parties have not been received by 31 December of the relevant year, the head of the Secretariat shall write to those Parties to impress upon them the importance of paying their respective arrears for prior periods and shall report to the Conference of the Parties at its next meeting on the consultations with such Parties;

(d) The head of the Secretariat shall agree with any Party whose contributions are in arrears for two or more years on a payment schedule to permit such Party to clear all outstanding arrears within six years, depending on the financial circumstances of the Party, and to pay future contributions by their due dates. The head of the Secretariat shall report to the Bureau and to the Conference of the Parties at their next meetings on progress under any such schedule;

(e) Parties that are not least developed countries or small island developing States and whose contributions are in arrears for two or more years shall be subject to effective measures to be decided by the Conference of the Parties;

(f) Given the importance of the full and effective participation of developing-country Parties, in particular least developed countries and small island developing States, and Parties with economies in transition, the head of the Secretariat shall remind Parties of the need for contributions to the Special Trust Fund at least six months prior to each ordinary meeting of the Conference of the Parties, reflecting on the financial need, and urge Parties in a position to do so to ensure that any contributions are paid at least three months before the meeting.

4. Contributions made pursuant to rule 5, paragraphs 1 (b) and (c), shall be used in accordance with such terms and conditions, consistent with the objectives of the Convention and the Financial Regulations and Rules of the United Nations, as may be agreed between the head of the Secretariat and the contributors.

5. Contributions made pursuant to rule 5, paragraph 1 (a), from States and regional economic integration organizations that become Parties to the Convention after the beginning of a financial period shall be made pro rata temporis for the balance of that financial period. Consequent adjustments shall be made at the end of each financial period for other Parties.

6. All contributions shall be paid in United States dollars or the equivalent in a convertible currency. They shall be paid into a bank account to be designated by the Executive Director of the United Nations Environment Programme in consultation with the head of the Secretariat. In conversion into United States dollars, the United Nations operational rate of exchange shall be used.

7. The head of the Secretariat shall acknowledge promptly the receipt of all pledges and contributions and shall inform the Parties by publishing on the Convention website up-to-date information on the status of pledges and payments of contributions.

8. Contributions not immediately required shall be invested at the discretion of the Executive Director of the United Nations Environment Programme. The resulting income shall be credited to the relevant Convention trust fund.

## **Accounts and audit**

### **Rule 6**

1. The accounts and financial management of all funds governed by the present rules shall be subject to the internal and external audit process of the United Nations.

2. An interim statement of accounts for the financial period shall be provided to the Conference of the Parties, and a final audited statement of accounts for the full financial period shall be provided to the Conference of the Parties as soon as possible after the accounts for the financial period are closed.

3. The Conference of the Parties shall be informed of any relevant remarks in the reports of the United Nations Board of Auditors on financial statements of the United Nations Environment Programme.

## **Administrative support costs**

### **Rule 7**

The Conference of the Parties shall reimburse the United Nations Environment Programme an amount of 13 per cent of expenditure for the services provided to the Conference of the Parties, its subsidiary bodies and the Convention Secretariat from the funds referred to in rule 4, paragraphs 1, 3 and 4, on such terms as may from time to time be agreed upon between the Conference of the Parties and the United Nations Environment Programme or, in the absence of such agreement, in accordance with the general policy of the United Nations.

## **Amendments**

### **Rule 8**

Any amendment to the present rules shall be adopted by the Conference of the Parties by consensus.

## **Annex to the financial rules**

### **Procedure for the allocation of funding from the voluntary Special Trust Fund (SV) for facilitating the participation of Parties in meetings of the Conference of the Parties**

1. The procedure for facilitating the participation of eligible delegates in meetings under the Convention should aim at the full and active participation of developing-country Parties, in particular least developed countries and small island developing States, and Parties with economies in transition in the activities of the Convention to improve the legitimacy of Convention decisions and encourage the implementation of the Convention at the local, national, regional and international levels.
  2. The procedure should give priority to least developed countries and small island developing States and thereafter aim at ensuring adequate representation of all eligible Parties. It should continue to be guided by established United Nations practice.
  3. The Secretariat should notify Parties as soon as possible, and preferably six months in advance, of the dates and venues of meetings of the Conference of the Parties.
  4. Following the dispatch of a notification that a meeting will take place, eligible Parties should be invited to inform the Secretariat, through official channels of communication, as soon as possible and no later than three months before the meeting, whether funding is requested.
  5. Based on the availability of financial resources and the number of requests received, the head of the Secretariat shall prepare a list of sponsored delegates. The list shall be established in accordance with paragraphs 1 and 2 above with a view to ensuring adequate geographical representation of eligible regions, with priority given to least developed countries and small island developing States.
  6. The Secretariat should, four weeks in advance of the meeting, notify eligible countries that will not be sponsored, inviting them to seek other alternative sources of funding.
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