

Stockholm Convention on Persistent Organic Pollutants

Bureau Meeting

Geneva, 11-12 May 2012

Progress report on the implementation of decision SC-5/26 on facilitating work with regard to financial resources and mechanisms

I. Executive summary

1. Decision SC-5/26 requests the Executive Secretary to undertake consultations with the bureau of the Conference of the Parties, to support discussions on improving the efficiency of financial resource mobilization.
2. The Secretariat, on 25 April 2011, sent a letter inviting Parties to provide feedback with regard to financial resources and mechanisms and on organizational structures, best suited to deliver the desired outcomes. As of 17 April 2012, information has been received from the following Parties: Mexico, Monaco, Switzerland, and Turkey. The submissions are contained in the annex to this report.
3. To address possible functions to improve the efficiency of the work of the Conference of the Parties, with regard to financial resources and mechanisms, submissions by the above Parties suggested that methods be established by the Conference of the Parties to insure sustainable and efficient funding. These mechanisms should, among other things, focus on strengthening coordination with the Global Environment Facility (GEF) and simplifying access to GEF funding. Parties also put forward that the financing base be widened by securing other funding sources and that the integration of the funding mechanisms of the three Conventions on hazardous chemicals and wastes be improved such that funding for synergistic projects that encompass the goals of the Basel, Rotterdam and Stockholm Conventions is possible. One Party also requested that the distribution of funding be more transparent.
4. To address possible forms to improve the efficiency of the work of the Conference of the Parties with regard to financial resources and mechanisms, some Parties are in favour of retaining the current financial structure, while others suggest that a financial mechanism committee be established to inform Parties on financial resources and their distribution.
5. Shortcomings noted by the submissions include difficulties in achieving sustainable funding, coordinating with the GEF, and attaining funding for synergy projects that combine the objectives of the three Conventions.
6. The Consultative Process acknowledged shortcomings regarding current financial resource mechanisms and proposed to mitigate this problem through an integrated funding approach. One proposal relating to the consultative process suggested that the proper form for such a function would be an Advisory Committee, to be established within the framework of the existing structures.
7. Possible action for the Secretariat in the intersessional period between the fifth and sixth meeting of the Conferences of the Parties may include the continuation of information collection from Parties pursuant to decision SC-5/26. The information received, including the above, will inform the report of the Secretariat on the implementation of decision SC-5/26 for consideration by the Conference of the Parties at its sixth meeting.

II. Background

8. Paragraph 6 of Article 13 of the Stockholm Convention on Persistent Organic Pollutants defines a mechanism for the provision of adequate and sustainable financial resources to developing-country Parties and Parties with economies in transition, on a grant or concessional basis, to assist in their implementation of the Convention. The financial mechanism is to function under the authority, as appropriate, and guidance of, and be accountable to the Conference of the Parties for the purposes of the Convention.

9. In its decision SC-4/29, the Conference of the Parties requests the Secretariat to seek the views of Parties and explore options for facilitating the work of the Conference of the Parties with regard to financial resources and mechanisms, including the option of a financial mechanism committee, and to prepare a report for consideration by the Conference of the Parties at its fifth meeting.

10. In response to that decision, the Secretariat had explored several options with the overall objective of supporting discussions on finance-related issues during regular meetings of the Conference of the Parties. The report of the Secretariat is contained in the annex to document UNEP/POPS/COP.5/27.

11. By its decision SC-5/26 on facilitating work with regard to financial resources and mechanisms, the Conference of the Parties recognized the need to improve the efficiency of its work and requested the Executive Secretary to undertake consultations with the bureau of the Conference of the Parties with the objective of supporting discussions on finance-related issues during the regular meetings of the Conference of the Parties.

12. In that same decision, the Conference of the Parties recalled that the consultative process on financing options for chemicals and wastes was first announced by the Executive Director of the United Nations Environment Programme, at the fourth meeting of the Conference of the Parties to the Stockholm Convention on Persistent Organic Pollutants, held in Geneva in May 2009, and requested the Executive Secretary to take into account the outcomes of the process referred to in paragraph 5 above in his consultations on ways and means to improve the efficiency of the work of the Conference of the Parties with regard to financial resources and mechanisms.

13. Accordingly, the Secretariat sent a letter to Parties on 25 April, 2011 inviting them to submit feedback concerning the functions to be achieved to improve the efficiency of the work with regard to financial resources and mechanisms, and on organizational structures best suited to deliver the desired outcomes.

14. Submissions were received from Mexico, Monaco, Switzerland and Turkey, and the relevant feedback has been compiled in Section III below. The submissions to the questionnaire are contained in the annex to this report.

III. Summary of Information Provided by Parties to the Convention

A. Objectives and Functions to improve the efficiency of the work of the Conference of the Parties with regard to financial resources and mechanisms

15. In order to determine the appropriate organizational structure to improve the efficiency of the work of the Conference of the Parties with regard to financial resources and mechanisms, it is essential to understand the objectives and functions that this new structural group would have.

16. As suggested by responding Parties, the Conference of the Parties should be able to secure sustainable funding for developing Parties and Parties with economies in transition.

According to one Party's submission, the "COP can take an active role in reaching this goal through supportive actions/measures that enable the financial mechanisms in meeting the key functions." This requires an efficient financial mechanism, especially with regard to relations with the Global Environmental Fund (GEF). According to a respondent Party, the Conference of the Parties should therefore establish better coordination mechanisms with the GEF as this is the primary financial resource for activities pertaining to the implementation of the Stockholm Convention. As stated by this Party, "The COPs main function with a view to meeting this objective is providing clear and useful guidance to the GEF. Up to now, the COP has not always been able to fulfil this function in an efficient and effective manner."

17. As suggested by one respondent Party, this can be accomplished by including GEF experts and national experts in tasks relating to the financial mechanisms of the Convention, and by providing clear guidance to the GEF. This Party stated that since "Parties of the Stockholm Convention are in general not GEF experts and the national GEF experts do not have a profound knowledge of the POPs Conventions and its needs, there must be "better coordination among the national experts" to "remedy these shortcomings." Additionally, the Conference of the Parties has been requested by one Party to simplify mechanisms to access GEF funds.

18. It has also been suggested by some respondents that the Conference of the Parties should widen the public health and environmental impact of the Convention by securing financing from additional international donors, and increasing collaboration with other multilateral environmental agencies. According to one Party, "focusing only on the GEF as the financial mechanism of the Convention and on public funding for providing support for implementing the Convention will similarly be too narrow."

19. These expansion efforts could also include the integration of funding between the Basel, Rotterdam and Stockholm Conventions to more efficiently provide funding for all chemicals and wastes projects and best serve the needs of developing country Parties and Parties with economies in transition. As suggested by one Party, "the funding and implementing of the POPs Convention needs to be put in the larger context of financing of the whole chemicals and wastes regime:"

B. Organizational structures that are best suited to deliver the desired key objectives and functions

20. In order to accomplish the above objectives to improve the efficiency of the work of the Conference of the Parties, there are many possible organizational changes that can be incurred. Some respondent Parties advocated for no formal changes to be made in structure, and pushed solely for the consideration of the above topics at the Conference of the Parties.

21. Other respondent Parties suggested that a financial mechanism committee be established to report to the parties, including at the Conference of the Parties. This committee would act to inform Parties on financial resources and their distribution.

22. Finally, it was suggested by one Party that changes should be made in the current organization to enable increased coordination between the financial mechanisms of the Stockholm, Rotterdam and Basel Conventions, although specific changes to support this idea were not provided.

C. Additional information

23. The responses to the questionnaire also made obvious, additional national issues relating to financing the implementation of the Convention, and made suggestions to increase the function of the Conference of the Parties to include these concerns. One Party requested that the distribution of financial resources is made more transparent, while another Party asked that regional centres are provided with more staff specifically focused on procuring resources to fund implementation

activities of the Convention. Additionally, it was requested by one Party that the Conference of the Parties provides increased support to regional centres to aid in electronic information distribution on region-specific issues.

D. Shortcomings in the financial resources and mechanisms noted by Parties

24. As enumerated by Parties in their input regarding the objectives and functions to improve the efficiency of work of the Conference of the Parties with respect to the financial resources and mechanisms, there are some shortcomings in the current financial resources and mechanisms. Parties have difficulty accessing sustainable funding, especially developing-country Parties and Parties with economies in transition. Parties also experience frustrations coordinating with the GEF to receive funding for projects relating to their implementation of the Convention. Additionally, some Parties have expressed difficulties in attaining funding for projects that deal with aspects of the Basel and Rotterdam Conventions, as the integration of funding for the three Conventions is hard to achieve under current financial mechanisms.

IV. Summary of outcomes of the Consultative Process relevant to the implementation of decision SC-5/26

25. The consultative process on financing options for chemicals and wastes was launched by the Executive Director of the United Nations Environment Programme (UNEP) at the fourth meeting of the Conference of the Parties to the Stockholm Convention on Persistent Organic Pollutants, in May 2009. The consultative process was held to assess the current situation with regard to financing for the sound management of chemicals and wastes at the national level, including, but not limited to, the implementation of the obligations of Parties to conventions relating to chemicals and wastes and related international policy frameworks, with a view to devising strategic, synergistic proposals for improving it.

26. The consultative process, as set out in document UNEP/GCSS.XII/INF/7, suggested that an integrated approach should be taken to finance the sound management of chemicals and wastes. This approach would aim to find alternative sources of funding in the private sector or in alternatively established funds to allow for greater access to funding and funding sustainability. Financing would be enhanced by the mainstreaming of the health and environmental issues surrounding chemicals and wastes. Industry could also be involved in sharing the financial burden associated with the elimination of harmful chemicals and wastes.

27. At the same time, the consultative process, in the above document enumerated several shortcomings that are similar to those submitted by the Parties, listed in section D. These shortcomings, among others, were:

- the gap between the funding needed for implementation of the Convention and funding that Parties can acquire;
- the need for an increased political priority accorded to the sound management of chemicals and wastes;
- the need for sustainable, adequate and accessible financing for the chemicals and wastes agenda;
- the need for integration between the funding mechanisms of the three conventions;
- the need for a solution that brings together all relevant stakeholders;
- the need to address the inadequacy of financial resources while improving the efficient use of financial resources.

28. It was also suggested in the outcomes of the consultative process, that efficiency can be best achieved through integration of the goals of the Basel, Rotterdam and Stockholm Conventions, so that administrative costs are reduced. The same principles apply to external funding, as the coordination of these efforts could also reduce administrative costs.

29. Finally, it was suggested in the outcome report that performance based targets be made to insure the sustainability of funding for chemicals and wastes agendas. This could be accomplished by pilot projects.

30. Although the outcome to the consultative process addressed many issues relating to the financing of the chemical wastes agenda through the proposed integrated approach, there was no decision as to who would manage the integrated approach or where it would be managed from. The focus is rather on how the approach can best be used to achieve results efficiently and effectively in the chemicals and wastes cluster.

31. According to "A Proposal for an Integrated Approach to Financing the Sound Management of Chemicals and Wastes," a proper structure for the implementation of an integrated approach would include equal representation from all Parties. It would also include the presidents of the three Conventions and representatives from other supported programmes in the coordination and decision-making bodies. This proposal also suggests the establishment of an Advisory Committee with a balanced geographical approach to enhancing the coordination and decision-making approach. Finally, it is suggested that previously existing structures be utilized where possible to insure the most financially efficient process and a reduction of overhead costs.

V. Possible action next steps

32. In view of the implementation of decision SC-5/26, the Secretariat would continue collecting information from Parties on ways and means to improve the efficiency of the work of the Conference of the Parties with regard to financial resources and mechanisms. This will inform the report of the Secretariat on the implementation of decision SC-5/26 for consideration by the Conference of the Parties at its sixth meeting.

Annex

Submission by Mexico

MISIÓN PERMANENTE DE MÉXICO

OGE04589

La Misión Permanente de México ante la Oficina de las Naciones Unidas y otras Organizaciones Internacionales con sede en Ginebra saluda muy atentamente a la Oficina del Secretariado Ejecutivo Conjunto de los Convenios de Basilea, Estocolmo y Rotterdam, y tiene el honor de referirse al cuestionario sobre los objetivos, funciones y estructuras apropiadas que se deben cumplir para mejorar la eficacia de la labor de la Conferencia de las Partes del Convenio de Estocolmo, con especial atención en los recursos, mecanismos financieros y las estructuras organizativas adecuadas para lograr los resultados deseados, de conformidad con la decisión SC-5/26.

Al respecto, la Misión Permanente presenta el cuestionario de referencia con las respuestas del Gobierno de México.

La Misión Permanente de México ante la Oficina de las Naciones Unidas y otras Organizaciones Internacionales con sede en Ginebra aprovecha la oportunidad para reiterar a la Oficina del Secretariado Ejecutivo Conjunto de los Convenios de Basilea, Estocolmo y Rotterdam las seguridades de su más alta y distinguida consideración.

Ginebra, a 2 de diciembre de 2011

PERMANENTE DE MEXICO
ANTE LOS ORGANISMOS
INTERNACIONALES CON
SEDE EN GINEBRA
GINEBRA, SUIZA

A la Oficina del Secretariado Ejecutivo Conjunto
de los Convenios de Basilea, Rotterdam y Estocolmo
G i n e b r a

Cuestionario para la transmisión de información sobre la facilitación de la labor relativa a los recursos y mecanismos financieros conforme a la decisión SC-5/26

PARTE I – Datos generales

Fecha de envío	31 de octubre de 2011	
Nombre de la Parte/observador/ entidad que informa	Dirección General de Gestión Integral de Materiales y Actividades Riesgosas/SGPA/SEMARNAT	
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PARTE II – Objetivo y funciones fundamentales de la labor de la Conferencia de las Partes relativa a los recursos y mecanismos financieros

PI	¿Qué objetivos y funciones fundamentales se deben lograr para mejorar la eficacia de la labor de la Conferencia de las Partes relativa a los recursos y mecanismos financieros?
	<p>Lograr garantizar la capacitación adecuada al personal de los centros regionales en materia de obtención de recursos y gestión de proyectos y poner en marcha disposiciones de gobernanza con miras a contar con centros regionales que sean capaces de apoyar eficaz y eficientemente a las Partes en la aplicación sostenible del Convenio.</p> <p>Apoyar y orientar a los centros regionales en la utilización de los diferentes medios electrónicos, para divulgar información y sensibilizar sobre temas específicos de relevancia para la Región.</p> <p>Desarrollar recomendaciones orientadas a obtener recursos de los diferentes mecanismos financieros</p> <p>Incrementar la cooperación y coordinación con otros organismos de acuerdos multilaterales sobre medio ambiente o iniciativas como el Enfoque Estratégico para la Gestión de Productos químicos a nivel internacional, en cuestiones de recursos financieros.</p> <p>Por otra parte, se deberá concertar acuerdos que incluyan los siguientes objetivos y funciones de trabajo:</p> <ul style="list-style-type: none"> • Examinar los asuntos pendientes del mecanismo financiero, identificar las políticas y estrategias de la Convención y cómo acceder a fondos fuera de la Convención. La revisión debería estudiar métodos de financiamiento innovadores y formas para ampliar el nivel actual de financiamiento disponible y mejorar el acceso a estos fondos. • Considerar la experiencia de fondos internacionales, de instituciones financieras multilaterales y otras fuentes relevantes de financiamiento, además establecer las necesidades financieras de los países en desarrollo y en transición

- Evaluar cómo mejorar el mecanismo, incluidos los procedimientos administrativos y la colaboración entre el FMAM y los organismos de ejecución.
- Examinar la eficacia del FMAM para contribuir a los esfuerzos de las partes para abordar la gestión de los Contaminantes Orgánicos Persistentes (POPs, por sus siglas en inglés); de intensificar el trabajo del FMAM para complementar instrumentos de financiamiento en el corto y largo plazo; y el papel del FMAM como un catalizador para atraer inversiones del sector privado.
- Examinar las inversiones existentes y los flujos financieros pertinentes para la elaboración de una respuesta internacional eficaz y adecuada a la gestión de los POPs.
- Establecer modalidades para asegurar que los proyectos financiados para la gestión de los POPs estén de acuerdo con las políticas, las prioridades de los programas y los criterios de aceptabilidad establecidos por la Conferencia de las Partes.
- Establecer asociaciones entre los sectores público y privado, con inclusión del uso de instrumentos económicos en los planos nacional e internacional.
- Considerar el análisis de costo-beneficio como herramienta de toma de decisiones para desarrollar sistemáticamente información útil acerca de los efectos esperados de los proyectos financiados.

PARTE III – Opciones de estructura organizativas

P2 ¿Cuáles son las estructuras organizativas más apropiadas para alcanzar los objetivos y funciones fundamentales mencionadas en la pregunta 1?

Aquella en la que el personal de la Secretaría y las actividades se agrupan por esferas de trabajo, tal y como se indica en el anexo del documento UNEP/POS/COP.5/32/Add.2.

Submission by Monaco

**Questionnaire pour la communication de renseignements
visant à faciliter les travaux concernant les ressources financières et les
mécanismes de financement comme suite à
la décision SC-5/26**

PREMIÈRE PARTIE– Généralités

Date de communication	29 août 2011	
Nom de l'auteur de la communication (Partie/observateur/partie prenante)	MONACO	
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DEUXIÈME PARTIE – Principaux objectifs et principales fonctions des travaux de la Conférence des Parties concernant les ressources financières et les mécanismes de financement

Q1	Quels sont les principaux objectifs à atteindre et les principales fonctions à accomplir en vue d'améliorer l'efficacité des travaux de la Conférence des Parties concernant les ressources financières et les mécanismes de financement?
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S'assurer de la pérennité de la disponibilité des ressources financières
A la suite, s'assurer de la mise en œuvre de mécanismes de financements efficaces.

TROISIÈME PARTIE- Options possibles pour les structures organisationnelles

Q2	Quelles sont, selon vous, les meilleures structures organisationnelles pour atteindre les principaux objectifs et accomplir les principales fonctions visés ci-dessus à la question 1 ?
<p>La mise en place d'un Comité du mécanisme de financement, qui rende régulièrement des comptes aux Parties, notamment lors des Conférences des Parties.</p>	

Submission by Switzerland

Questionnaire for submission of information on facilitating work with regard to financial resources and mechanisms pursuant to decision SC-5/26

PART I – General information on the submission

Date of submission	09.03.2012	
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PART II – Key objectives and functions of the work of the Conference of the Parties with regard to financial resources and mechanisms

Q1	What are the key objectives and functions to be achieved to improve the efficiency of the work of the Conference of the Parties with regard to financial resources and mechanisms?
<p>Introduction</p> <p>The Stockholm Convention is the only instrument in the chemicals and waste cluster that has a financial mechanism: the GEF. This is very beneficial for the Convention.</p> <p>The key functions of this mechanism are to provide financial support to assist developing country Parties and Parties with economies in transition in their implementation of the Convention (Art. 13.6 Stockholm Convention) and to assist them to meet the agreed full incremental costs of implementing measures which fulfill their obligations under the Convention (Art. 13.2 Stockholm Convention). .</p> <p>Up to know the GEF has provided important support to the Parties in form of funding the elaboration of national implementation plans (NIP) but as well by funding POPs relevant projects. Moreover, recently the GEF has provided support for updating this NIP after new substances have been included in the annexes of the Convention.</p> <p>But for the full implementation of the Convention a wider and bigger support may be needed.</p> <p>Objectives of the Conferences of the Parties (COP)</p> <p>With regard to financing, an important objective of the COP is to help those Parties who need this support to meet the agreed incremental costs to implement the Convention. The COP can take an active role in reaching this goal through supportive actions/ measures that enable the financial mechanism in meeting the key functions as described above.</p> <p>Functions of the COP</p> <p>The COPs main function in view to meet this objective is providing clear and useful guidance to the GEF. Up to know the COP was not always able to fulfill this function in an efficient and effective manner. As a consequence such guidance offered different interpretations and manner of implementation by the GEF.</p> <p>This unsatisfying and inefficient situation has different causes.</p> <p>First there is a lack of expertise and understanding in both instruments. The Parties of the Stockholm Convention are in general not GEF experts and the national GEF experts do not have a profound knowledge of the POPs Convention and its needs. A better coordination among the national experts could remedy these shortcomings. The GEF has made a first attempt in order to better include the conventions experts.</p> <p>Second, an approach focusing merely on the perspective of one Stockholm Convention risks to not being efficient, coordinated and effective. The funding and implementing of the POPs Convention needs to be put in the larger context of financing of the whole chemicals and wastes regime.</p> <p>Finally, focusing only on the GEF as the financial mechanism of the Convention and on public funding for providing support for implementing the Convention will similarly be too narrow.</p>	

PART III – Options for organizational structures

Q2	Which organizational structures are best suited to deliver the desired key objectives and functions identified in question 1 above?
<p>The meetings of the COP can be better used to meet the objectives, fulfill the functions, and address the shortcomings elaborated above. The following measures could be used to achieve a better result:</p> <ul style="list-style-type: none">- Measures to strengthen the expertise of the COP to provide effective and clear guidance to the GEF include the enhanced coordination and cooperation at national level of representative of the Stockholm Convention and representative of GEF, as suggested by the MoU between the COP and the GEF (Para 21). This would help to elaborate clear and focused guidance to the GEF based on specific and realistic needs assessments- Measures to ensure a broader perspective with regard to funding and implementation than a narrow Stockholm Convention approach include the elaboration of a joint resource mobilization strategy of the three conventions and addressing funding and implementation at joint or back-to-back meetings of all the relevant conventions.- Measures to ensure a broader approach than focusing only on the GEF as the financial mechanism of the Convention and on public funding for providing support for implementing the Convention include the exploration of a multiple-source funding approach as suggested by the MoU between the COP and the GEF (Para 3) and the Convention (Art 13.2/3).	

Submission by Turkey

Questionnaire for submission of information on facilitating work with regard to financial resources and mechanisms pursuant to decision SC-5/26

PART I – General information on the submission

Date of submission	09 March 2012	
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PART II – Key objectives and functions of the work of the Conference of the Parties with regard to financial resources and mechanisms

Q1	What are the key objectives and functions to be achieved to improve the efficiency of the work of the Conference of the Parties with regard to financial resources and mechanisms?
	<p>Distributing of financial resources should be more transparent. Every two year during the COP, a special session can be organized to inform to parties on financial resources and their distributions.</p> <p>Accessing funds procedures can be complicated for countries. These procedures should be more simplified. There is no common criterion for co-financing issues. GEF should be identified a common criteria and used it for evaluation of the project.</p>

PART III – Options for organizational structures

Q2	Which organizational structures are best suited to deliver the desired key objectives and functions identified in question 1 above?
GEF is suited to deliver the desired key objectives and functions.	