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INTERGOVERNMENTAL NEGOTIATING COMMITTEE FOR AN
INTERNATIONAL LEGALLY BINDING INSTRUMENT
FOR IMPLEMENTING INTERNATIONAL ACTION ON
CERTAIN PERSISTENT ORGANIC POLLUTANTS

Sixth session

Geneva, 17-21 June 2002

Item 5 of the provisional agenda*

PREPARATION FOR THE CONFERENCE OF THE PARTIES

Financial Mechanism **

Note by the Secretariat

1. Paragraph 6 of Article 13 of the Stockholm Convention on Persistent Organic Pollutants states “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 is hereby defined. The mechanism shall function under the authority, as appropriate, and guidance of, and be accountable to the Conference of the Parties for the purposes of this Convention.”
2. The Convention and the resolutions of the Conference of Plenipotentiaries on the Stockholm Convention call for further action relating to the financial mechanism, including:
 - (a) At its first meeting, the Conference of the Parties:
 - (i) Shall adopt appropriate guidance for the financial mechanism (Paragraph 7 of Article 13);
 - (ii) May decide which institutional structure will be designated in accordance with Article 13 on financial resources and mechanisms (Article 14);
 - (b) At its first meeting, the Conference of the Parties will receive:

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** Stockholm Convention, Articles 13 and 14; Conference of Plenipotentiaries of the Stockholm Convention, resolution 2.

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- (i) A report of the Global Environment Facility on the measures it has taken to ensure the transparency of the GEF project-approval process and the simplicity, flexibility and expeditiousness of the procedures for accessing funds (Paragraph 3 of Resolution 2);
 - (ii) A report of the interim secretariat on ways that relevant funding institutions can support the Convention (Paragraph 5 of resolution 2);
- (c) At its first meeting, the Conference of the Parties is requested by the Conference of Plenipotentiaries:

To review the availability of financial resources in addition to those provided through the Global Environment Facility and the ways and means for mobilizing and channelling these resources in support of the objectives of the Convention (Paragraph 6 of Resolution 2);

- (d) Not later than its second meeting, the Conference of the Parties shall (paragraph 8 of Article 13):

- (i) Review:
 - a. The effectiveness of the mechanism established under Article 13;
 - b. Its ability to address the changing needs of the developing country Parties and Parties with economies in transition;
 - c. The criteria and guidance referred to in paragraph 7 of Article 13;
 - d. The level of funding;
 - e. The effectiveness of the performance of the institutional entities entrusted to operate the financial mechanism;
- (ii) Based on that review, take appropriate action, if necessary, to improve the effectiveness of the mechanism, including by means of recommendations and guidance on measures to ensure adequate and sustainable funding to meet the needs of the Parties.

3. The Conference of Plenipotentiaries identified processes for the preparation of the reports called for under its resolution 2. There is, however, no process identified to assist the Conference of the Parties in developing and adopting the guidance called for under paragraph 7 of Article 13 or to provide the basis of its decision under Article 14.

Possible action by the Committee

4. The Committee may wish to consider:

- (a) Establishing a process for developing the guidance called for in paragraph 7 of Article 13 for consideration by the Conference of the Parties at its first meeting;
- (b) Developing guidance to assist the Conference of the Parties in its evaluation of the mechanism established under Article 13 paragraph 6;
- (c) Developing guidance to assist the Conference of the Parties in its decision on the institutional structure for the mechanism required under Article 14.
