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**Conference of the Parties of the Stockholm
Convention on Persistent Organic Pollutants
Third meeting**

Dakar, 30 April–4 May 2007

Item 5 (h) of the provisional agenda*

**Matters for consideration or action by the Conference of the Parties:
financial resources**

**Revised terms of reference for work on modalities on the needs
assessment****

Note by the Secretariat

1. Paragraph 6 of Article 13 of the Stockholm Convention on Persistent Organic Pollutants establishes a financial 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. Paragraph 6 further establishes that the 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.

2. In pertinent part, paragraph 7 of Article 13 states:

“[T]he Conference of the Parties shall at its first meeting adopt appropriate guidance to be provided to the mechanism and shall agree with the entity or entities participating in the financial mechanism upon arrangements to give effect thereto. The guidance shall address, inter alia: [...]

(d) The modalities for the determination in a predictable and identifiable manner of the amount of funding necessary and available for the implementation of this Convention, keeping in mind that the phasing out of persistent organic pollutants might require sustained funding, and the conditions under which that amount shall be periodically reviewed; and

* UNEP/POPS/COP.3/1.

** Stockholm Convention, Article 13, paragraphs 7(d) and 7(e); reports of the Conference of the Parties of the Stockholm Convention on Persistent Organic Pollutants on the work of its first meeting (UNEP/POPS/COP.1/31), annex I, decision SC-1/17 and on the work of its second meeting (UNEP/POPS/COP.2/30), annex I, decision SC-2/12.

(e) The modalities for the provision to interested Parties of assistance with needs assessment, information on available sources of funds and on funding patterns in order to facilitate coordination among them.”

3. At its first meeting, the Conference of the Parties adopted the guidance to the financial mechanism set out in the annex to decision SC-1/9. The paragraph of the guidance relating to the determination of funding states:

“In accordance with paragraph 7(d) of Article 13, the Conference of the Parties will regularly provide the entity or entities entrusted with the operations of the financial mechanism pursuant to paragraph 6 of Article 13 of the Convention assessments of the funding needed to ensure effective implementation of the Convention.”

4. At its second meeting, the Conference of the Parties, in its decision SC-2/12, adopted the terms of reference for work on modalities on the needs assessment for Parties that are developing countries or countries with economies in transition to implement the provisions of the Convention over the period 2006–2010, as set forth in the annex to the decision.

5. In paragraph 5 of decision SC-2/12, the Conference of the Parties invited Parties and other Governments, on the basis of the above-mentioned terms of reference, to submit to the Secretariat by 31 October 2006 views on the further elaboration of the terms of reference for work on assessment of funding needs for Parties that are developing countries or countries with economies in transition to implement the provisions of the Convention over the period 2006–2010. In response to that invitation, two Parties submitted views to the Secretariat. The submissions have been reproduced in the annex to document UNEP/POPS/COP.3/INF/23.

6. In its decision SC-2/12, the Conference of the Parties also requested the Secretariat to prepare revised draft terms of reference taking into account the experience and lessons learned from conducting the preliminary assessment of funding needs as well as the views submitted under paragraph 5 of decision SC-2/12, for consideration by the Conference of the Parties at its third meeting. In response to that request, the Secretariat prepared revised draft terms of reference for work on assessment of funding needs for Parties that are developing countries or countries with economies in transition to implement the Convention over the period 2006–2010. The revised draft terms of reference as set forth in the annex to the present note.

Possible action by the Conference of the Parties

7. The Conference may wish to consider and adopt, with any amendments, the revised draft terms of reference for work on assessment of funding needs for Parties that are developing countries or countries with economies in transition to implement the Convention over the period 2006–2010.

Annex

Draft revised terms of reference for work on assessment of funding needs for Parties that are developing countries or countries with economies in transition to implement the Convention over the period 2006–2010

Objectives

1. The objectives of the work to be carried out under the present terms of reference are:
 - (a) To enable the Conference of the Parties to provide at regular intervals, to the principal entity entrusted with the operations of the financial mechanism referred to in Article 13 of the Convention, and to other entities should they be so entrusted, assessments of the total funding needed by Parties eligible for assistance from the financial mechanism to facilitate their effective implementation of the Convention;
 - (b) To provide the principal entity with a framework and modalities for the determination in a predictable and identifiable manner of the funding necessary and available for the implementation of this Convention by Parties eligible for its assistance.

Execution

2. The work will be facilitated and coordinated by the Secretariat, and will include:
 - (a) The development of a full needs assessment for the period 2006–2010 based on the methodology and experience gained from the preliminary assessment of funding needs for that period,¹ for consideration by the Conference of the Parties at its fourth meeting;
 - (b) The development of a preliminary assessment of funding needs for the period 2011–2015, based on available information, for consideration by the Conference of the Parties at its fourth meeting.
3. In developing the assessments of funding needs, the Secretariat will facilitate and coordinate:
 - (a) The compilation and analysis of the needs identified in the implementation plans submitted by Parties pursuant to paragraph (b) of Article 7 of the Convention;
 - (b) The review of reports submitted by Parties pursuant to Article 15 of the Convention to identify funding needs in fulfilment of their obligations under the Convention;
 - (c) The compilation and analysis of such funding needs identified in any supplementary information provided by the principal entity of the financial mechanism, other international financial institutions, intergovernmental and nongovernmental organizations, including the private sector, and secretariats of other multilateral environmental agreements;
 - (d) The compilation and analysis of any supplementary information provided by Parties which are developing countries or countries with economies in transition on their funding needs for the implementation of their obligations under the Convention.

Sources of information

4. In developing the assessments of funding needs, the work will draw primarily upon information provided in the implementation plans and reports submitted by Parties pursuant to paragraph (b) of Article 7 and Article 15 of the Convention.

¹

See the terms of reference set forth in the annex to decision SC-2/12.

5. Relevant supplementary information will be drawn from the Secretariat, Parties, entities of the financial mechanism, other international financial institutions, intergovernmental and non-governmental organizations including the private sector and secretariats of other multilateral environmental agreements, where available, such as:

(a) The Global Environment Facility, which, as the principal entity entrusted with the operations of the financial mechanism on an interim basis, is invited to provide information gathered through its operations relevant to assistance needs in eligible Parties;

(b) Other international financial institutions that provide bilateral or multilateral financial or technical assistance pursuant to paragraph 6 of Article 13 of the Convention, which are invited to provide information on such assistance, including the levels of such assistance;

(c) Intergovernmental and nongovernmental organizations, which are invited to provide information relating to the needs assessment;

(d) Secretariats of other multilateral environmental agreements, which are invited to provide information relevant to modalities for conducting similar needs assessments in connection with their agreements;

(e) Parties, which are invited to provide any other information on their experiences in implementing the Convention;

(f) Observers, which are invited to provide information relevant to the needs assessment.

Scope

6. The funding needs assessment should be comprehensive and primarily directed towards assessing total funding needs, with a view to identifying in full needs assessments and baseline and incremental funding needs in order for all Parties to fulfil their obligations under the Convention.

Process

7. The information identified above should be provided to the Secretariat by 30 November 2008. The timing of any future updating of this information will be decided by the Conference of the Parties.

8. Based on the information it receives, the Secretariat will prepare, for consideration by the Conference of the Parties at its fourth meeting:

(a) An assessment of the funding needs of Parties which are developing countries or countries with economies in transition for the period 2006–2010;

(b) A preliminary assessment of the funding needs of Parties which are developing countries or countries with economies in transition for the period 2011–2015.