



**Conference of the Parties to the
Minamata Convention on Mercury
Sixth meeting**

Geneva, 3–7 November 2025

Item 4 (e) (iii) of the provisional agenda*

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

**Draft terms of reference for the third review of the financial
mechanism**

Note by the secretariat

I. Introduction

1. Paragraph 11 of article 13, on financial resources and mechanism, of the Minamata Convention on Mercury stipulates that the Conference of the Parties to the Convention is to review, no later than at its third meeting, and thereafter on a regular basis:
 - (a) The level of funding;
 - (b) The guidance provided by the Conference of the Parties to the entities entrusted with operationalizing the financial mechanism of the Convention;
 - (c) The effectiveness of those entities;
 - (d) The ability of those entities to address the changing needs of developing-country parties and parties with economies in transition.
2. According to the same paragraph, on the basis of the review, the Conference of the Parties is to take appropriate action to improve the effectiveness of the financial mechanism.
3. At its fifth meeting, in decision MC-5/11, the Conference of the Parties requested the secretariat to prepare draft terms of reference for the third review of the financial mechanism for consideration by the Conference of the Parties at its sixth meeting.
4. The secretariat has prepared draft terms of reference for the third review, which are set out in annex II to the present note. The draft terms of reference build on the terms of reference for the second review of the financial mechanism (decision MC-4/7, annex), with only a few adjustments to the sections entitled “report” and “performance criteria”.
5. Furthermore, in developing the draft terms of reference, the secretariat invited input from the secretariat of the Global Environment Facility (GEF) and from the Governing Board of the Specific International Programme to Support Capacity-Building and Technical Assistance.

* UNEP/MC/COP.6/1/Rev.1.

II. Considerations with respect to the timing of the third review

6. The second review of the financial mechanism covered the period from August 2019 to July 2022. The report on the second review of the financial mechanism, prepared in accordance with paragraph 11 of article 13 of the Convention, was presented to the Conference of the Parties at its fifth meeting and is set out in document UNEP/MC/COP.5/INF/17. The first review of the financial mechanism (UNEP/MC/COP.3/11) was considered by the Conference of Parties at its third meeting, in November 2019.

7. Should the parties decide that the third review is to encompass the period from August 2022 to the end of the eighth GEF replenishment period (in June 2026), the time frame would allow consideration of all information from immediately after the period of the second review. This would include significant information on ongoing and completed projects, the effectiveness of completed projects, and the experiences of parties with implementing such projects.

8. At its seventh meeting, in 2027, the Conference of the Parties is expected to consider whether to extend the time frame of the Specific International Programme beyond its initial duration of 10 years from the establishment of its trust fund, a period that expires in December 2027. Pursuant to decision MC-1/6, the possible extension is not to exceed an additional seven years, taking into account the review of the financial mechanism in accordance with paragraph 11 of article 13.

9. The completion of the third review of the financial mechanism and its consideration by the Conference of the Parties at its seventh meeting is intended to inform the expected decision of the Conference of the Parties on the extension of the duration of the Specific International Programme.

III. Suggested action by the Conference of the Parties

10. In the light of the requirement, in paragraph 11 of article 13, that the Conference of the Parties review the financial mechanism established under article 13 on a regular basis, the Conference of the Parties may wish to consider the information on the third review contained in the present note and adopt a decision along the lines of the text set out in annex I to the note.

Annex I

Draft decision MC-6/[--]: Third review of the financial mechanism

The Conference of the Parties,

Recognizing the extent of the experience and information available to consider and build on for the third review of the financial mechanism,

Considering paragraph 11 of article 13 of the Minamata Convention on Mercury, on the review of the financial mechanism,

1. *Adopts* the terms of reference for the third review of the financial mechanism set out in the annex to the present decision;
2. *Invites* parties, intergovernmental organizations, non-governmental organizations and stakeholders to submit information, consistent with the terms of reference for the review and organized by the listed performance criteria, on their experience gained through their interactions with the financial mechanism, as soon as possible and not later than 30 April 2026;
3. *Requests* the secretariat to compile information relevant to the third review of the financial mechanism and submit it to the Conference of the Parties for consideration at its seventh meeting.

Annex II

Draft terms of reference for the third review of the financial mechanism

A. Objective

1. Pursuant to paragraph 11 of article 13 of the Minamata Convention on Mercury, the Conference of the Parties is to review the financial mechanism established under article 13 to support parties in the implementation of the Convention, with a view to taking appropriate action, if necessary, to improve the effectiveness of the financial mechanism. Pursuant to paragraph 11 of article 13, the review is to include an analysis of:

- (a) The level of funding;
- (b) The ability of the financial mechanism to mobilize resources from all sources, the level and type of funding, including differentiation between earmarked and non-earmarked voluntary contributions;
- (c) The guidance provided by the Conference of the Parties to the Global Environment Facility and to the Specific International Programme to Support Capacity-Building and Technical Assistance in their capacity as the entities entrusted with the operation of the financial mechanism;
- (d) The efficiency and effectiveness of the Global Environment Facility and the Specific International Programme in their capacity as the entities entrusted with the operation of the financial mechanism;
- (e) The ability of the two entities of the financial mechanism to address the changing needs of developing country parties and parties with economies in transition.

B. Methodology

2. The third review will cover the activities of the financial mechanism for the period from August 2022 (immediately after the period covered by the second review) to June 2026, when the eighth replenishment of the Global Environment Facility trust fund concludes, inclusive of the third and fourth rounds of applications to the Specific International Programme, with emphasis on the activities concluded during that period.

3. The review will draw on the following sources of information, among others:

- (a) Information submitted by parties on their experiences gained through their interactions with the financial mechanism, organized according to the performance criteria set forth in section D of the present terms of reference;
- (b) Reports submitted to the Conference of the Parties by the entities entrusted with the operation of the financial mechanism;
- (c) Other reports provided by the entities entrusted with the operation of the financial mechanism, including, among other things, reports of the Independent Evaluation Office of the Global Environment Facility, terminal review and evaluation reports of completed projects under the Specific International Programme and reporting from ongoing and completed projects under the Specific International Programme;
- (d) Relevant reports and information submitted by: intergovernmental and non-governmental organizations; stakeholders; other entities providing multilateral, regional and bilateral financial and technical assistance pursuant to paragraphs 1 and 3 of article 13 of the Convention; the Special Programme to support institutional strengthening at the national level for implementation of the Basel, Rotterdam and Stockholm conventions, the Minamata Convention on Mercury, the Strategic Approach to International Chemicals Management and the Global Framework on Chemicals – for a Planet Free of Harm from Chemicals and Waste (with respect to complementarity and avoiding duplication); the Global Framework on Chemicals Fund; and the Global Mercury Partnership (in relation to its interaction with the financial mechanism in advancing the implementation of the Minamata Convention on Mercury);
- (e) The report of the midterm evaluation of the Specific International Programme;
- (f) Reports submitted by parties pursuant to article 21 of the Convention.

4. In keeping with the terms of reference, the secretariat will, subject to the availability of resources:
- (a) Make adequate arrangements to ensure that the third review of the financial mechanism is conducted in an independent, transparent, effective and efficient manner;
 - (b) Hire a consultant to prepare a draft report on the information provided;
 - (c) Submit the report on the review to the Conference of the Parties for consideration at its seventh meeting.
5. The entities entrusted with the operation of the financial mechanism are requested to provide information relevant to the review in a timely manner.
6. Parties are requested to provide information pursuant to paragraph 3 (a) above as soon as possible and not later than 30 April 2026.
7. Intergovernmental and non-governmental organizations, stakeholders, the Special Programme, the Global Framework on Chemicals Fund, the Global Mercury Partnership and relevant entities providing multilateral, regional and bilateral financial and technical assistance are requested to provide relevant information pursuant to the objectives of the present review as soon as possible and not later than 30 April 2026.

C. Report

8. The report on the third review will include the following elements:
- (a) An overview of elements (a)–(e) of paragraph 1 above;
 - (b) Analysis of lessons learned from the activities funded by the financial mechanism during the period covered by the review;
 - (c) Assessment of the Global Environment Facility's principles of incremental cost and global environmental benefits as they pertain to activities to implement obligations under the Convention, along with lessons learned from the evaluation reports on activities of the Global Environment Facility and the final reports and terminal review and evaluation reports of completed projects under the Specific International Programme;
 - (d) Assessment of the sustainability, transparency and accessibility of the funding provided by the financial mechanism for the achievement of the objective of the Convention;
 - (e) Identification of the resources mobilized directly by the financial mechanism, including in-kind contributions and co-financing, and, to the extent possible, quantitative and/or qualitative assessment of the resources mobilized indirectly by actions of the private sector and other stakeholders;
 - (f) Information on the extent to which recommendations to improve the effectiveness of the financial mechanism identified in the second review of the financial mechanism have been taken up;
 - (g) Recommendations to improve the effectiveness and efficiency of the financial mechanism in meeting the objective of the Convention;
 - (h) Assessment against the performance criteria set out in paragraph 9 below.

D. Performance criteria

9. The effectiveness and efficiency of the financial mechanism will be assessed taking into account, among other things, the following:
- (a) Responsiveness of the Global Environment Facility and the Specific International Programme to the guidance adopted by or provided by the Conference of the Parties;
 - (b) Extent to which the projects funded by the financial mechanism have reduced, or are expected to reduce, the supply, use, emissions and releases of mercury, and deliver other benefits in terms of Convention implementation;
 - (c) Transparency and timeliness of the project approval processes;
 - (d) Simplicity, flexibility and expeditiousness of the procedures for accessing funds and for implementing and reporting on projects;
 - (e) Adequacy of resources;

- (f) Country ownership and sustainability of activities funded by the financial mechanism;
 - (g) Level of stakeholder involvement;
 - (h) Extent to which the projects funded by the financial mechanism have benefited groups in vulnerable situations;
 - (i) Any other significant issues raised by the parties.
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