



## **PACIFIC SMALL ISLAND DEVELOPING STATES**

### **PREPARATORY COMMISSION FOR THE ENTRY INTO FORCE OF THE AGREEMENT UNDER THE UNITED NATIONS CONVENTION ON THE LAW OF THE SEA ON THE CONSERVATION AND SUSTAINABLE USE OF MARINE BIOLOGICAL DIVERSITY OF AREAS BEYOND NATIONAL JURISDICTION AND THE CONVENING OF THE FIRST MEETING OF THE CONFERENCE OF THE PARTIES TO THE AGREEMENT**

#### **First Session**

New York, 14-25 April 2025

#### **Written Inputs Submitted by the Permanent Mission of Papua New Guinea to the United Nations on behalf of the PSIDS**

#### **Financial rules governing the funding of the Conference of the Parties and the funding of the secretariat and any subsidiary bodies**

*At the invitation of the Co Chairs of the Preparatory Commission, the Pacific Small Island Developing States or the PSIDS<sup>1</sup> are herewith providing written inputs on the topic referenced above. Specific textual proposals are highlighted in **red** herein.*

*The PSIDS reserves the right to provide additional inputs and comments in all respects, and nothing herein shall be construed to prejudice the PSIDS in any way with respect to future text based negotiation.*

---

<sup>1</sup> The 12 Pacific Island countries with Permanent Missions to the United Nations in New York, namely, the Federated States of Micronesia, Fiji, the Republic of Kiribati, the Republic of Marshall Islands, Nauru, Palau, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Samoa, and Vanuatu.

The PSIDS aligns with the statements made by G77 and China and the Alliance of Small Island States (AOSIS).

**Co-Chair's aid to discussions and negotiations concerning draft financial rules governing the funding of the Conference of the Parties and the funding of the secretariat and any subsidiary bodies**

***1. Is the structure of the document fit for purpose?***

The PSIDS are of the view that the draft document constitutes a useful starting point to carry forward our work in this area broadly covering key components expected in financial rules.

An overarching concern of the PSIDS is to ensure that the principle of the special circumstances of SIDS is operationalized in a meaningful and sustained way. We must set the foundation for a financial mechanism that is responsive to the needs and constraints of SIDS, consistent with the provisions of Art 52 of the Agreement which recognises the differentiated capabilities and needs of developing States, including SIDS.

At the outset, the PSIDS notes that the financial governance structures of the Agreement depend, to a large extent, on the arrangements for the functioning of the secretariat. Certain aspects of COP and subsidiary body governance could also play a role.

Accordingly, while the general structure of and subject headings within the document appear to be a good basis to build on, at this time, our group reserves on the various textual options relating to the financial rules, pending further study and consideration of the different models or forms of secretariat and other institutional arrangements.

***2. What missing elements, if any, might usefully be included in the document?***

The PSIDS emphasizes the need to operationalize the principle of the special circumstances of SIDS across all sections of the draft.

In this regard, we specifically highlight the need to include SIDS into the cap on assessed contributions to ensure fairness and avoid disproportionate burdens on those with constrained resources This point relates to paragraph 5.1(a).

**Textual proposal: In Section 5.1(a), include the SIDS (along with the LDCs) into the cap on assessed contributions not to exceed 0.01% of the total.**

We would look to include appropriate provisions in relation to the voluntary trust fund to ensure that funding will be available for the full and effective participation of representatives of SIDS, especially during COP and subsidiary body meetings.

**Textual proposal: In Section 4, include provisions that ensure that all SIDS are eligible and prioritised under the voluntary trust fund:**

**4.4bis The voluntary trust fund established pursuant to paragraph 4(a) of Article 52 of the Agreement shall be managed by [the head of the secretariat]. This fund shall facilitate the participation of representatives of developing States Parties, in particular least developed countries, landlocked developing States and small island developing States in the ordinary, extraordinary, and intersessional meetings of the bodies established under the Agreement. The financial resources specified in paragraphs (b), (c), (d) and (e) of Section 5.1 that are earmarked to this fund shall be credited to this fund.**

**4.4ter The procedures for facilitating the participation of representatives shall ensure full eligibility and give priority to least developed countries, landlocked developing States and small island developing States, and be guided by established United Nations practice.**

We are also looking at other provisions that might usefully be included in the document to operationalize further the principle of the special circumstances of SIDS.

**Textual Proposal: In Section 5, include a paragraph that provides flexibility to SIDS and LDCs in the payment of their contributions if they are affected by force majeure, including natural catastrophes (e.g., tropical cyclones, floods and droughts, earthquakes, tsunamis) and public health emergencies (e.g., pandemics, epidemics).**

### ***3. What elements, if any, could be left out of the document?***

At this time, the PSIDS highlights two particular points, which relate to paragraphs 4.5 and 4.6, respectively.

First, the PSIDS do not believe that these draft rules should apply to the special fund or the Global Environment Facility (GEF), each of which will and should be governed by separate arrangements.

**Textual Proposal:** In Section 4, delete paragraph 4.4's reference to the *mutatis mutandis* application of financial rules to the special fund and the GEF, as financial rules should only apply to administrative funds such as the voluntary trust fund.

**The PSIDS look forward, *inter alia*, to designing a Special Fund that is fit for purpose and effective, including with respect to operationalizing the principle of the special circumstances of SIDS.**

Second, the PSIDS believe that these draft rules should not necessarily apply to any additional funds that may be established by the Conference of the Parties pursuant to Article 52, paragraph 5 of the Agreement. We should not prejudge the form and substance of the rules that could apply to such additional funds.

**Textual Proposal:** In the first sentence of Section 4.5, insert “administrative” before “funds” and delete “in accordance with article 52, paragraph 5 of the Agreement”. Include in Section 4.5: “The present rules do not apply to any additional funds established in accordance with article 52, paragraph 5 of the Agreement, unless otherwise provided by the Conference of the Parties.”

**Note that the PSIDS has proposed the establishment of an additional fund to finance rehabilitation and ecological restoration of marine biological diversity of areas beyond national jurisdiction in accordance with paragraph (5) of Article 52.**

#### ***4. What substantive elements of the document do delegations agree or disagree with?***

With respect to provisions that the PSIDS agree with, we call attention to the importance of paragraph 5.8 on the voluntary trust fund to ensure the full participation of SIDS representatives.

Broadly speaking, we view the general structure of and subject headings within the document as a good basis to build on.

With respect to provisions that the PSIDS disagree with, we are continuing to study the document in detail and at this time would highlight the two points mentioned above.

#### ***5. What substantive elements of the document are the most important and why?***

The PSIDS emphasize the need to operationalize the principle of the special circumstances of SIDS.

In particular, we highlight:

- the methodology for assessing contributions to the BBNJ regime, and
- prioritizing and sufficiently resourcing the voluntary trust fund for participation by SIDS.

We also emphasize the need for the financial rules to enable good, equitable, and sustained governance of the secretariat (in line with whichever secretariat model that is decided upon), the COP, and the subsidiary bodies. **Textual proposal: We support a 2 year financial period to enhance predictability, and are open to considering a longer financial period.**