

MERCURY INC 1 HIGHLIGHTS: TUESDAY, 8 JUNE 2010

INC 1 convened for its second day on Tuesday, 8 June 2010. During the morning, delegates considered the overall structure of the mercury instrument, and capacity-building and technical and financial assistance. During the afternoon delegates discussed compliance and began consideration of the supply, demand, trade, waste and storage cluster.

PREPARATION OF A GLOBAL LEGALLY BINDING INSTRUMENT ON MERCURY

Japan for ASIA AND THE PACIFIC highlighted the importance of awareness raising, knowledge sharing, capacity building, technology transfer and financial resources, and supported Japan's offer to host INC 2 and name the instrument the Minamata Convention.

Overall structure of the instrument: The Secretariat introduced the discussion noting three options for the structure of the instrument including: control measures plus annexes, convention plus protocols, and an umbrella agreement and annexes (UNEP(DTIE)/Hg/INC.1/4). Delegates engaged in a preliminary discussion, stressing it was premature to take a decision on this.

The EU MEMBER STATES supported the structure with control measures plus annexes or a convention plus a single protocol, which it said, should be decided at a later stage. GRULAC preferred an agreement plus annexes, but said the group did not want to prejudice the result of the discussion.

Stressing that form should follow function, NEW ZEALAND said delegates should first agree on objectives and control measures to achieve them. NORWAY and JAPAN supported a structure similar to the Stockholm Convention, that is, control measures plus annexes. AUSTRALIA expressed openness to all options and suggested control measures with annexes may be appropriate. The US noted that the control measures plus annexes and convention plus protocols structures merited further consideration. CANADA opposed any structure that would allow selective ratification and delays of entry into force of protocols.

NIGERIA, for the AFRICAN GROUP, expressed support for control measures plus annexes, underscoring the need for flexibility to address particular national needs and the importance of avoiding bureaucratic bottlenecks. SWITZERLAND said the structure of the instrument should: be effective and efficient; bind all parties to key obligations; include comprehensive tools for legally-binding measures and voluntary partnerships; and reflect future developments regarding mercury. EGYPT called for a structure that is flexible, dynamic, and

gives equal treatment to all stakeholders. INDIA called for consideration of all structures and noted that a convention plus protocols structure offers flexibility in implementation.

IRAQ suggested a combination of the control measures plus annexes and convention plus protocols options, and JORDAN suggested focusing discussion on these two options. CHINA, supported by INDONESIA, emphasized the need to decide on content before form, and said an umbrella agreement would be unsuited to mercury.

The ZERO MERCURY WORKING GROUP, also on behalf of IPEN, supported control measures plus annexes and emphasized it would not support a structure under which governments could avoid adopting control measures and related provisions in their entirety.

Capacity-building and technical and financial assistance: Noting the interrelated nature of the issues of capacity building, and financial and technical assistance, the Secretariat introduced the documents on this agenda item including, options for: substantive provisions (UNEP(DTIE)/Hg/INC1/5 Section IIIB), predictable and efficient financial assistance (UNEP(DTIE)/Hg/INC.1/8), delivery of technical assistance and capacity building (UNEP(DTIE)/Hg/INC.1/9), and facilitating sustainable technology transfer (UNEP(DTIE)/Hg/INC.1/10).

The EU MEMBER STATES stressed the need for a synergistic, country-driven approach and for the INC to consider private sector financial assistance, as well the GEF. GRULAC, CHINA, CUBA, SENEGAL and COLOMBIA underscored the importance of a stand-alone financial mechanism modeled on the Montreal Protocol Multilateral Fund. BRAZIL emphasized that each country should set its own priorities, said that the Montreal Protocol's financial mechanism is the most successful model, and suggested consideration of using GEF as a cooperative bank. CHINA emphasized that the mechanism needs to be negotiated by all countries so that "this will be a child of joint efforts to be raised by us all." THE AFRICAN GROUP emphasized the importance of a concrete financial mechanism. SWITZERLAND noted that the financial mechanism must: be effective, needs-responsive, and responsive to guidance from the COP, integrated into the compliance mechanism, ensure fair burden-sharing, and be sustainable.

MEXICO and SENEGAL urged a stronger degree of political commitment on financing from the developed countries. IRAQ appealed for comprehensive and adequate support in capacity building, technology transfer and financial resources. While agreeing to providing adequate financial and technical assistance to developing countries for the implementation of the new instrument, NORWAY, JAPAN and CANADA supported using the existing mechanisms. CANADA said the issue of a compliance mechanism should move forward in conjunction with the financial mechanism. PAKISTAN suggested developing

country-based approaches including the situation, issues and need for capacity building, technology support and financial resources in relation to the issue of mercury.

SENEGAL highlighted the importance of institutional support and strengthening the regional centers of the chemical conventions. SRI LANKA stressed need for awareness raising and capacity-building campaigns.

The US emphasized that all options should remain on the table for future discussion and said there may be considerable advantages to a stand-alone mechanism.

OMAN emphasized the need for guaranteed sustainability of funding to allow for quick responses to mercury. INDIA emphasized the need for symmetry between financial assistance and obligations of countries to ensure provision of funding. JORDAN said that capacity-building and technical and financial assistance are the most important aspects of the convention, and cited both the Montreal Protocol and Stockholm Convention as models.

INDONESIA stressed the importance of permanent and sustainable funding, and said the GEF may not be an appropriate mechanism. BANGLADESH noted the importance of collective cooperation.

HONDURAS emphasized that technical assistance should be broad, permanent and focused to allow countries to meet their obligations, and underscored the need to account for social costs. BRAZIL said the mechanism should facilitate the active participation of the private sector.

WHO noted that its 150 country offices could play a coordination role at the country level. The United Nations Institute for Training and Research (UNITAR) stressed the need to consider capacity building during the early stages of implementation, and offered to share its experience with assisting developing countries and countries with economies in transition in chemicals management.

IPEN highlighted desirable characteristics for a financial mechanism, including the ability to: access large and small amounts of funds; be responsive and have a genuine interest in mercury; and help developing countries fulfill their treaty obligations without compromising poverty-reduction goals.

Compliance: The Secretariat presented the documents (UNEP DTIE)/Hg/ICN.1/11, 5 and 12), outlining procedures, mechanisms and approaches for ensuring compliance of a legally-binding instrument.

GRULAC favored addressing the issue of compliance in a preliminary way, and highlighted the need to develop an enabling clause including provision of financial resources and technology transfer, taking into account the principle of common but differentiated responsibilities.

The EU MEMBER STATES said full implementation of the instrument by all parties is of the utmost importance, and favored negotiating the issue in a common group covering obligations and compliance, as well as financial and technical assistance. The EU committed to address compliance, and looked forward to constructive work on this at future INCs.

The AFRICAN GROUP supported a carefully negotiated provision of compliance, which should be coordinated with a financial mechanism and technology transfer.

NORWAY highlighted necessary elements of a compliance mechanism, including: reporting by the parties; verification of the information provided; and effective evaluation, including monitoring. CHINA said that compliance is contingent upon provision of financial resources and capacity building. JAPAN, with PAKISTAN, welcomed establishing an effective compliance mechanism for the mercury instrument. SWITZERLAND supported the establishment of a compliance group early in the process, and stressed this should be finalized in the negotiation process, unlike the Stockholm Convention.

IRAQ suggested that non-compliant countries be treated fairly before sanctions are imposed. CANADA stressed that national reporting is the backbone of any compliance mechanism, highlighting the need for the INC to draft obligations to facilitate the assessment of compliance. NEW ZEALAND stressed the

need to link concepts to compliance, and suggested the INC begin consideration of specific provisions on the cross-cutting elements of objectives, structure, capacity building, finance and technical assistance, and compliance.

INDIA suggested voluntary compliance may be better than a compliance mechanism at achieving the objectives of the instrument. MEXICO underscored the needs for caution, and for information to determine whether resources can be mobilized to meet the costs of measures being considered.

The PHILIPPINES supported developing a compliance mechanism during INC negotiations and emphasized that while countries must do what they can on their own, resources and capacity may be limited. HAITI said coordination mechanisms to address illegal trafficking in mercury are essential to success. TUVALU called for minimizing the number of INCs, and time lags on grace periods for compliance.

ILO outlined its work on compliance monitoring and offered to provide its model to the INC. WHO offered technical assistance to countries wishing to monitor reductions in children's exposure to mercury. IPEN emphasized that effective monitoring, reporting, and review mechanisms are essential to promote transparency and ensure compliance. The ZERO MERCURY WORKING GROUP suggested making data publicly available to ensure the transparency and credibility of the process.

Concluding the discussion, Chair Lugris encouraged regional groups to communicate with their bureau members regarding their needs for greater documentation from the Secretariat for INC 2 on the issue of compliance.

Cluster of topics (supply, demand, trade, waste and storage): The Secretariat introduced the discussion related to reducing the mercury supply (UNEP (DTIE)/Hg/INC.1/5).

GRULAC highlighted need for cost-benefit analysis and best available technologies, and proposed establishing a time frame for progressive reduction of mercury with nationally defined levels. IRAQ called for eliminating production and supply of primary mercury. KYRGYZSTAN shared the experience of a hydro-metallurgical process to extract mercury from liquid solutions.

The US suggested considering sources together with supply, and noted that they, with UNEP, would assist Kyrgyzstan to address the issue of elemental mercury.

The EU said supply and storage should be addressed in the core provisions of the Convention, alongside provisions on demand for products and processes, and reported that the EU adopted an export ban in 2008, which would come into effect in March 2011. INDONESIA emphasized the importance of reducing the trade of and demand for mercury.

NORWAY stressed that primary mining must be prohibited, and mercury as a by-product be captured, recovered and stored in an environmentally sound manner. SWITZERLAND highlighted the connection between supply and use, and supported a blanket supply-side ban with limited exemptions. The AFRICAN GROUP stressed the importance of controlling mercury supply, lamenting that Africa receives large quantities of mercury that are used in ways that threaten human health and the environment.

IN THE CORRIDORS

Initial discussion on the sensitive issue of financing and capacity building took place on Tuesday, and the substance took many by (pleasant) surprise. Several developing country delegates were delighted that the US saw potential merit in a stand-alone financial mechanism, as in other fora they have strongly supported the role of the GEF. One seasoned delegate saw this as a sign of commitment to the development of an effective mercury instrument, and underscored the difference to the Stockholm Convention negotiations, where GEF was "the only game in town." Others lamented that the EU are unable to negotiate at INC 1, speculating that EU support for such a proposal may have assisted in achieving significant progress in this early stages.