KENYA inquired about a discussion on the title of the proposed instrument on mercury.

**FINANCIAL RESOURCES:** Chair Lugris asked for an update on informal consultations on financial resources. BRAZIL reported that several parties have been engaging in informal consultations on Article 15, but positions remain polarized, which was neither in the interest of the process nor of developing countries. Supported by CHINA, he requested an opportunity for a larger group of developing countries to meet. GRULAC, supported by SWITZERLAND, called for an inclusive, accessible and effective financial mechanism that enables implementation consistent with national implementation plans. SWITZERLAND then encouraged delegates to move away from a developed-developing country perspective, as finance is in the interest of all wishing for an effective treaty. CHINA called for an innovative financial mechanism and underscored the need to address this issue before consideration of a compliance regime. COLOMBIA suggested building on existing mechanisms, and seeking complementary resources from the private sector.
CONTACT GROUPS

SELECTED TECHNICAL ARTICLES: The group continued discussion of article 3 (supply and trade). Some delegations sought to delete provisions on imports of mercury and mercury compounds, arguing that the provision regulating exports of mercury and mercury compounds made it unnecessary. The group also debated whether to delete references to prior written consent. Other issues raised included whether to allow exports for purposes of interim storage in an environmentally sound manner, and whether to have exports to non-parties be contingent on certification that the mercury will be managed in an environmentally sound manner in the importing state.

EMISSIONS AND RELEASES: While a small drafting group considered releases, the contact group continued deliberations on article 10 (emissions) and annex F (list of point sources of emissions of mercury and its compounds to the atmosphere). On the annex, following informal consultations, the contact group considered replacing references to lead, zinc, copper and industrial gold production facilities with a single reference to smelting and roasting processes used in the production of non-ferrous metals, with a note specifying that, for the purpose of the annex, non-ferrous metals refer to lead, zinc, copper and industrial gold. On article 10, the group discussed, inter alia: the need for flexibility in addressing existing sources; a paragraph setting the objective of the article; and whether to provide for emissions to be “controlled,” “reduced,” or “controlled and reduced where feasible.”

ARTICLES OF A LEGAL NATURE: The group started working on definitions (article 2). On “mercury compounds,” delegates discussed the Chair’s text referring to any substance consisting of identical molecules of mercury and one or more other chemical elements, and Chile’s submission (UNEP(DTIE)/Hg/INC.5/CRP.9) referring to any substance that contains atoms of mercury of constant chemical composition and characteristic properties that cannot be separated into components by physical separation methods. The group agreed that “mercury compounds” mean any substance consisting of atoms of mercury and one or more atoms of other chemical elements that can be separated into different components only by chemical reactions. Chile’s proposal that the definition shall not be construed to include naturally occurring quantities of mercury compounds present in soil, minerals, ores and mineral products except those from primary mercury mining, pending discussions in other contact groups, remained in brackets.

In the afternoon, the group focused on the relationship with other international agreements. Delegates found common ground on language stating that: the provisions of the mercury convention shall not affect the rights and obligations of any party deriving from existing international agreements; parties recognize that the mercury convention and other international agreements in the field of the environment and trade are mutually supportive; and nothing in the mercury convention prevents a party from taking additional domestic measures consistent with the provisions of the mercury convention in an effort to protect human health and the environment from mercury exposure in accordance with the party’s other obligations under applicable international law. Delegates did not reach a conclusion on the placement of the provisions in the preamble or in any of the operative articles.

FINANCE, TECHNICAL ASSISTANCE AND TECHNOLOGY TRANSFER: The contact group started off discussing interim financial arrangements, focusing on possible enabling activities, including for ratification, and possible early action, taking into account urgent issues and country-specific priorities. They also discussed currently available funding sources, including from the GEF; the need for additional funding; and examples of interim financing under other MEAs.

Co-Chair Guthrie then introduced a compromise proposal on article 16 including paragraphs on technical assistance, capacity building, the tasks of the COP and technology transfer. On technology transfer, the proposal required developed country parties, and other parties within their capabilities, to promote and facilitate, supported by the private sector and other stakeholders as appropriate, the development, transfer and diffusion of, and access to, updated environmentally sound alternative technologies to developing country parties, in particular LDCs and SIDS, and economies in transition to strengthen their capacity to effectively implement the convention.

Discussion focused on whether the provision was directed at “other parties within their capabilities,” alongside developed countries, and whether to “promote and facilitate” technology transfer. A number of developing countries favored a direct obligation focused on developed countries.

IN THE CORRIDORS

While delegates were increasingly reminded of the fast-approaching deadline to reach agreement, securing financial resources remained the elephant in the room. For the third plenary in a row, Chair Lugris was met with either silence or not so encouraging news when asking about the status of informal consultations on the issue. Some thought this is not too surprising given that the usual heavy-hitters on financing have been tied up in discussions on technology transfer, adding that, probably for the same reasons, opportunities to bridge the gap between those who favor GEF (or feel GEF is the only realistic option) and those who insist on a Montreal Protocol-like fund have not yet materialized.

Meanwhile, many saw the 3+ million in pledges for interim support announced in plenary as giving a much-needed impetus to the negotiations. An anxious delegate, however, exclaimed: “We will not need interim financing if we cannot agree on the financial mechanism and provisions for the treaty in the first place!” Leaving financial issues to the last minute is a well-known approach to try and strike a grand compromise at the opportune moment, another participant remarked, hoping that the right catalyst will come along sooner rather than later.