



MERCURY INC7 HIGHLIGHTS: MONDAY, 14 MARCH 2016

On Monday morning, INC7 delegates convened in plenary to hear reports from the contact groups on rules, reporting, finance and technical issues. Delegates then considered issues related to Article 24 on the functions and hosting of the permanent secretariat.

Plenary was suspended in the afternoon to allow contact groups to meet throughout the rest of the day on issues including finance, rules, reporting, and technical issues.

WORK TO PREPARE FOR ENTRY INTO FORCE AND COP1

ARTICLE 3. MERCURY SUPPLY SOURCES AND TRADE: Technical issues contact group Co-Chair Carvalho said work remained on the draft guidance on forms required under Article 3, and that challenges on the draft guidance on mercury stocks and supply include: calculating mercury amounts; taking the time needed to consider technical content; and adhering to the Convention text.

ARTICLE 8. EMISSIONS: Informal group Co-Facilitator Roberts reported that consultations were ongoing, and Chair Lugris drew attention to a new conference room paper submitted by Switzerland and the African Group on technical guidelines on the environmentally sound management of mercury wastes (UNEP(DTIE)/Hg/INC.7/CRP.6).

ARTICLE 14. FINANCIAL RESOURCES AND MECHANISM: Co-Chair Filyk reported on the group's progress on draft guidance to the GEF. He noted a small number of outstanding issues related to the eligibility of signatories to receive financing for enabling activities and on synergies within the chemicals and wastes GEF focal area. On the SIP, he reported agreement that it be hosted by UNEP, but that discussions were ongoing on the specific office in which the SIP would be based.

ARTICLE 21. REPORTING: Contact group Co-Chair Kalniņš suggested extending the mandate of the group to include discussion of a submission on reporting format, and Chair Lugris requested the group to focus on the remaining bracketed text.

ARTICLE 23. CONFERENCE OF THE PARTIES: Rules contact group Co-Chair McNee said outstanding issues remain on the UNEP proposal on technical amendments and treatment of the host country's contributions.

ARTICLE 24. SECRETARIAT: The interim secretariat introduced the relevant documents (UNEP(DTIE)/Hg/INC.7/15, UNEP(DTIE)/Hg/INC.7/16 and UNEP(DTIE)/Hg/INC.7/INF/5). He drew attention to, *inter alia*, options including having a permanent "standalone" secretariat, a full and immediate

merger of the permanent Minamata Convention secretariat with the BRS Secretariat, or working gradually toward a merger by establishing an initial 'Minamata Branch' of the BRS Secretariat.

Rolph Payet, Executive Secretary, BRS Conventions, said the BRS Secretariat stands ready to welcome the Minamata secretariat and pledged to give the new Convention the attention it deserves. Many countries supported the government of Switzerland's offer to host the permanent secretariat of the Minamata Convention.

On the arrangements for the secretariat, the EU favored a potential merger as maximizing coordination and institutional coherence. He called for making a distinction between the general assistance of the secretariat to parties, and technical assistance and capacity building, noting that the latter will depend on the SIP.

GRULAC called for addressing the proposals in detail at COP1 and preferred a strong, effective and independent secretariat.

The US supported having an independent Minamata secretariat. She expressed concern that the proposal for 20% of the BRS Executive Secretary's time will be insufficient, saying the Convention will need an Executive Secretary who is able to commit "100% time" to the Convention. She called for a full evaluation of options and more quantitative data for review at COP1, including a full analysis of staffing and meeting costs.

Calling for further information, BRAZIL stressed the need for 100% secretariat support for the Minamata Convention, and did not support a complete merger of the Minamata secretariat with the BRS Secretariat in the initial years following entry into force. KENYA called for further discussion of the cost assessments for the proposed host locations, and noted the importance of considering the successful hosting arrangements for the Montreal Protocol, which is based in Nairobi.

Supporting an integrated secretariat, SWITZERLAND noted the cost savings offered by this arrangement, stressing that the current interim secretariat arrangements cannot continue after the Convention enters into force. He noted that the cost comparisons prepared by the interim secretariat only include staff costs, and highlighted the need to take into account other costs, such as for travel, meeting facilities, and the hiring of independent consultants. Underscoring the need for joint messaging within the chemicals and waste cluster, he also urged consideration of the location of chemicals and wastes experts as well as the BRS Secretariat and UNEP Chemicals. NORWAY, COLOMBIA, MALAYSIA, ARMENIA, and SIERRA LEONE supported an integrated secretariat.

BRAZIL noted there could be options that fall between an independent and an integrated secretariat, and SWITZERLAND and JAPAN supported exploring these possibilities.



ARGENTINA stated that the synergies arrangements in the BRS Conventions have not provided benefits to developing countries and, with CUBA, JORDAN, the DOMINICAN REPUBLIC, VENEZUELA, IRAQ, and CHINA, expressed a preference for an independent secretariat. The RUSSIAN FEDERATION called for creation of a permanent secretariat as soon as possible.

IRAQ and SIERRA LEONE called on the Swiss government to be flexible in visa arrangements for countries without Swiss representation within their borders.

On the offer to host, SWITZERLAND summarized its offer, saying if the COP decides to locate the secretariat in Geneva, Switzerland would provide, *inter alia*, free office and meeting space. He stated that if the Minamata secretariat is merged with the BRS Secretariat, Switzerland would pay CHF2.5 million per year, with CHF2 million of unearmarked contributions, and the remainder earmarked for financing integration. He underscored a preference to have separate Minamata COPs in the immediate future.

JAMAICA called for discussions to amend the Swiss hosting offer containing conditionalities for hosting arrangements.

The US expressed disappointment that the offer links a decision on geographic location with a policy decision on the structure of the secretariat. SWITZERLAND responded that this is an administrative measure to enhance efficiency, and policy decisions are independent among Conventions.

The EU asked for clarification of the precise annual amount Switzerland would contribute to the trust fund, and SWITZERLAND replied that is a matter for discussion in the financial rules contact group.

Chair Lugris said that the documents would be updated based on the discussion in plenary and suggested intersessional consultations to prepare a decision to be taken by COP1.

CONTACT GROUPS

FINANCE: Delegates considered a Co-Chairs' proposal on the common elements for the SIP structure, with Co-Chair Guthrie explaining that the COP would provide guidance to a SIP governing body (either a SIP committee or an executive board), which would, in turn, instruct either the Minamata secretariat or UNEP's Division of Technology, Industry and Economics to provide information to a technical review body. The technical review body would be composed of intergovernmental experts and would be responsible for reviewing projects for funding by a SIP voluntary trust fund. Some delegates noted the need for the structure to be "light and flexible," with a number characterizing the proposed governing and technical review bodies as adding unnecessary layers of bureaucracy, and others calling for the two proposed bodies to be merged. Some others stressed the need to discuss the SIP's functions in order to agree on its operational arrangements.

RULES: The contact group on rules met in the afternoon. Progress was made removing brackets in sections of Rule 6 on accounts and audit. On Rule 7, participants removed language regarding the amount the COP may reimburse UNEP for administrative costs.

Participants reviewed the annex to the financial rules and bracketed a reference to subsidiary bodies. One country suggested removing text regarding facilitating the participation of SIDS and LDCs, to which other developed and developing countries objected, noting the outcome of the Third Conference on Financing for Development as well as Article 14 of the Minamata Convention supporting such facilitation. After further discussion, participants agreed to bracket the entire annex. One participant noted that reopening clean text was "unfortunate" because to do so would be "going backwards" against the spirit of Chair Lugris' request to focus on cleaning text.

Having completed a first reading, the contact group returned to outstanding issues including: the financial period; whether or not the budget would be presented in a programmatic format "harmonized" with the BRS Conventions; contributions by the host government; and language regarding "voluntary contributions."

REPORTING: Delegates continued work on the form, agreeing to several questions under Articles 8 (emissions), 9 (releases), 10 (interim storage), 11 (wastes) and 13 (financial resources). On questions related to Articles 8 and 9, countries could not agree if information about availability of inventories should be supplemental, and debated both whether providing inventory data is required by the Convention and its utility for evaluating effectiveness. On Article 11, countries debated asking about facilities for managing wastes duplicated Basel Convention reporting, and whether the information should be supplemental. On Article 13, countries debated whether information on contributions to the financial mechanism or to assist developing countries was supplemental. A separate group was established to work on supplemental information.

TECHNICAL ISSUES: The technical issues contact group continued discussing the draft guidance on identifying mercury stocks and sources of supply. They discussed qualifying some proposed definitions with the text, "to be determined by each party, as it deems appropriate." Debating whether the guidance language was prescriptive, they agreed to soften the text, in some cases replacing "necessary" with "useful," and withdrawing a proposed use of "should." They disagreed about whether to include a list of potential sources of mercury supply generating stocks, with some arguing that these are not listed in the Convention, and others saying the list could be useful. One delegate called for bracketing the entire draft. Delegates adjourned briefly and resumed discussions in the evening.

IN THE CORRIDORS

As INC7 moved toward its conclusion, work continued apace as delegates sought to finalize a range of details critical to implementation. In the finance contact group, initial discussions progressed on the structure, nature and functions of the SIP, with delegates commenting that the schematic provided by the Co-Chairs aided their work by encouraging participants to share views freely and left "no room for adding text or deleting brackets."

Tensions persisted in the technical issues group over the definition of mercury stocks, with one observer linking this issue to some countries' concerns about access to technology for processing natural gas – a sector that some other countries wanted to list in the written guidance. Divisions were also evident in the much-anticipated discussion on arrangements for the permanent secretariat, during which one participant noted that "delegates are like expectant parents" trying to plan the best future for their new charge. "The Minamata Convention is like a newborn baby that will require special care," said one delegate who was making the case for a standalone secretariat. Others preferred to fold the Minamata secretariat into the existing administrative structure of the BRS Conventions, with one likening such a move to "welcoming the Convention into an established family."

With the end of the INC process in sight, some were wondering whether COP1 would be a celebration of accomplishments or a negotiation of the details necessary to allow for implementation of this new Convention.

ENB SUMMARY AND ANALYSIS: The *Earth Negotiations Bulletin* summary and analysis of INC7 will be available on Friday, 18 March 2016, online at: <http://www.iisd.ca/mercury/inc7>