The IAG met during the day and evening to negotiate text for technical assistance (Articles J) and financial resources and mechanisms (Article K), and to finalize the IAG report. The NG considered providing and waste and stockpiles under Article D, information exchange (Article G) and listing of new substances (Article F). Contact groups on by-products, and stockpiles and waste met throughout the day and evening.

**IMPLEMENTATION ASPECTS GROUP**

**FINANCIAL RESOURCES AND MECHANISMS (Article K):** NIGERIA, speaking for the G-77/CHINA, and supported by SOUTH AFRICA, BRAZIL, ZAMBIA, INDIA, BURUNDI and MICRONESIA, stressed establishment of an independent multilateral fund with regular and obligatory contributions from developed countries. JAPAN, NEW ZEALAND and SLOVAKIA, supported providing existing mechanisms, noting inefficiencies associated with a new mechanism. The EU stressed its preference for the GEF as the financial mechanism. SWITZERLAND supported the GEF with other organizations. The US and CANADA drew attention to various organizations’ POPs-related work, and CANADA cautioned that establishing a new mechanism may result in such organizations ceasing POPs-related activities. The US suggested the proposed Capacity Assistance Network (CAN) coordinate a financial mechanism comprised of one or more existing international entities. MICRONESIA opposed using the GEF, noting it would not provide accessibility or a quick response. He supported expansion of the CAN proposal to incorporate financial assistance.

PAKISTAN said meeting GEF criteria is difficult for developing countries. GERMANY supported the GEF, noting its capacity to leverage funds and accommodate cross-cutting issues. PAKISTAN expressed concern that the GEF’s policy of paying incremental costs would limit funding. AUSTRALIA noted the GEF can fund capacity-building activities up to 100%. The ENVIRONMENTAL HEALTH FUND called for obligations on incremental costs would limit funding. AUSTRALIA noted the GEF can fund capacity-building activities up to 100%. The ENVIRONMENTAL HEALTH FUND called for obligations on providing resources as well as on implementation.

ZAMBIA expressed concern that POPs would not be covered by the GEF. CANADA said the convention should give the GEF direction on what is required. AUSTRALIA remarked that the GEF provides an effective financial mechanism for both the UNFCCC and the CBD. PAKISTAN responded that the GEF process is distinct. CANADA said COPs are responsible for the effectiveness of the GEF through the quality of guidance they provide. The EU noted options for defining the relationship between the COP and the GEF, either explicitly in Article K, or through COP representation on the GEF Council. NORWAY said no legal reconstitution of the GEF would be necessary to establish it as the mechanism.

Delegates began considering the IAG Bureau compilation text on Article K. The EU called to delete a paragraph stating that developed country parties shall provide developing and EIT country parties with financial assistance to implement the convention, noting it repeats what the article establishes. Several countries, including SENEGAL, NIGERIA and INDIA, opposed deleting the paragraph until agreement is reached on whether a new financial mechanism will be established.

To a paragraph on each party providing financial support and incentives for national activities, the US proposed adding text stating “developed countries shall also seek to mobilize financial and additional resources to assist parties from developing and EIT countries in implementing the convention.” After “developed countries,” NEW ZEALAND added “and other parties in accordance with their capabilities.” MICRONESIA opposed the language “seek to” provide, and the GAMBIA suggested “shall provide.” Delegates agreed to include the proposal and these options in brackets.

In a paragraph on the COP promoting the availability of financial resources and mechanisms, and encouraging the development of such mechanisms, AUSTRALIA called to replace “development” with “strengthening.” The EU added text on arrangements for technical assistance, and the GAMBIA opposed, stating the Article should focus on financial assistance. The EU proposal was retained with brackets.

On additional provision of financial resources through bilateral, regional and financial resources by “developed country parties,” NEW ZEALAND specified “and other parties in accordance with their capabilities.” The G-77/CHINA called to bracket this amendment.

CANADA, with the G-77/CHINA, supported deleting a requirement on developing parties and EITs to use national coordinating mechanisms integrated in national sustainable development programmes to ensure efficient use of financial resources. The EU called for retention of the provision’s intent. The G-77/CHINA expanded the requirement to apply to parties. With this amendment, the provision was bracketed. The G-77/CHINA proposed deleting a requirement on parties to take account of the specific needs and special situation of least developed countries. AUSTRALIA, supported by the EU, opposed, and the provision was bracketed. The US, the EU, the G-77/CHINA and others differed on language requiring the COP to review the financial mechanism. The US supported regular review, in order to provide recommendations and guidance on improving effectiveness and on the possible extension of the financial mechanism’s scope to cover needs identified during the convention’s implementation. The EU advocated requiring regular review and taking appropriate action to improve effectiveness if necessary. The G-77/CHINA supported review by the second COP and subsequent regular reviews to determine effectiveness and the needed level of funding, and advocated taking necessary measures to improve efficiency and ensure adequate and sustained funding.

Delegates considered the two options for providing financial assistance: use of existing mechanisms; and establishment of a new mechanism. BRAZIL, on behalf of the G-77/CHINA and CANADA, with the G-77/CHINA, called for provisions that the COP may consider establishing a financial mechanism in the convention, and that the COP may consider the establishment of a financial mechanism to assist developing and EIT countries to implement the convention. The US, the EU, the G-77/CHINA and others supported the provision. The G-77/CHINA, the US, the EU and others stressed the need for a mechanism that is flexible and can adapt to new requirements as they arise.

Delegates discussed the role of the COP and the Secretariat in establishing and implementing the financial mechanism. The G-77/CHINA proposed that the COP establish a financial mechanism and that the Secretariat provide recommendations to the COP. The US, the EU, and others supported these provisions. The G-77/CHINA called for the COP to consider the establishment of a financial mechanism by 2002. The US, the EU, and others supported this proposal.

Delegates agreed to include the provisions on the establishment of a financial mechanism and the role of the COP and the Secretariat in establishing and implementing the financial mechanism. The US, the EU, and others supported these provisions. The G-77/CHINA called for the COP to consider the establishment of a financial mechanism by 2002. The US, the EU, and others supported this proposal.

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Delegates considered the two options for providing financial assistance: use of existing mechanisms; and establishment of a new mechanism. BRAZIL, on behalf of the G-77/CHINA and
supported by PAKISTAN, called to replace text for the second option with the G-77/CHINA proposal for Article K. The US requested replacing the first option with its proposal for using existing international entities, the EU requested including its proposal for the GEF, and CANADA inserted its proposal on the CAN. The G-77/CHINA requested attribution of the proposals. CANADA asked that the intent to amalgamate the proposals within the first option be noted. The US called to bracket the options.

**IAG REPORT:** The IAG reviewed its draft report and made minor amendments to better reflect outcomes from the group’s negotiations. Chair Cardenas noted Articles J and K as amended by the group would be attached as annexes.

**NEGOTIATION GROUP**

**MEASURES TO REDUCE OR ELIMINATE RELEASES (ARTICLE D): Waste Management and Disposal:** The US suggested deleting the chapeau referring to technical and financial assistance. CHINA and others supported retaining reference to technical and financial assistance. INDIA opposed, noting this was covered under Articles J and K. SOUTH AFRICA, supported by the SEYCHELLES, proposed a separate paragraph on technical and financial assistance. Many countries, including KAZAKHSTAN, VENEZUELA and SAUDI ARABIA, supported, and JAPAN, the US and CANADA opposed, the paragraph on assistance for cleaning up contaminated sites, managing and destroying wastes, and implementing measures to reduce and/or eliminate releases. The RUSSIAN FEDERATION and MOLDOVA preferred “rehabilitation” of contaminated sites.

Many delegates expressed general support for an EU proposal, which, *inter alia:* streamlines the provisions on waste and stockpiles. Some delegates, including COLOMBIA, CHILE, the GAMBIA, IRAN, MALI, the DOMINICAN REPUBLIC and BURKINA FASO, called for reference to technical and financial assistance. Many delegates, including the SEYCHELLES, INDONESIA and TANZANIA, also proposed including the original text on the provision of assistance for clean up of contaminated sites.

SWITZERLAND supported language on exporting or importing banned products solely for environmentally sound destruction or disposal. JAPAN, SAUDI ARABIA, the US and MOLDOVA supported text on handling and storing waste in an environmentally sound manner. The US added “transporting.” CANADA, with AUSTRALIA and SOUTH AFRICA, supported addressing disposal in a manner consistent with the Basel Convention.

**Destruction of Stockpiles and Waste:** SOUTH AFRICA requested defining “stockpile” and “waste.” CANADA, AUSTRALIA and the US proposed deleting the provision dealing with the destruction of stockpiles and waste. The US suggested deleting reference to the Basel Convention. The DOMINICAN REPUBLIC and CHINA noted the need for actions to be in accordance with the Basel Convention without affecting the rights of non-parties. The LATIN AMERICAN PESTICIDES ACTION GROUP urged delegates to, *inter alia,* stop the transfer of obsolete technologies for treatment of stockpiles. Chair Bucchi established a contact group chaired by Peter Hinchcliffe (UK) to consider these issues.

**INFORMATION EXCHANGE (ARTICLE G):** JAPAN, CANADA, the US, BRAZIL, VENEZUELA, SINGAPORE, and the RUSSIAN FEDERATION supported text reflecting that information exchange should be in a manner consistent with national laws, regulations and practices. IRAN, LESOTHO, KUWAIT, INDONESIA, MALAYSIA and the EU opposed. IRAN supported language on exchanging information in a transparent and non-discriminatory manner. CANADA and the US agreed, on condition that reference to consistency with national laws be retained. The US advocated that parties “facilitate” information exchange. IRAN preferred “undertake.” On cost-effective alternatives, the US, with MALAYSIA, proposed language on including information relating to risks, as well as economic and social costs. The GAMBIA proposed deleting “cost-effective.” Both proposals were accepted.

The GAMBIA, IRAN, INDONESIA, BURKINA FASO, MALAYSIA and others called for deleting the paragraph on confidential information. JAPAN and the US supported its retention. The RUSSIAN FEDERATION, VENEZUELA and KUWAIT called for clarity on the scope of “safety” information not to be regarded as confidential.

On a national focal point, delegates agreed to include language to reflect that information may be exchanged through the Secretariat as well as other media. The GAMBIA, with the ORGANIZATION FOR PROHIBITION OF CHEMICAL WEAPONS, called for clarification that information would be exchanged through the POPs national focal point. SOUTH AFRICA asked for clear definition of clearing-house mechanism.

**LISTING OF SUBSTANCES IN ANNEXES A, B AND C (ARTICLE F):** The RUSSIAN FEDERATION, INDONESIA, PAKISTAN, MALI and IRAN requested clarification on the terms of reference and composition of the POPs review committee, and its relationship with the COP. ECUADOR said the committee should reflect regional representation. AUSTRALIA, INDONESIA and MEXICO suggested a committee similar to that under the Rotterdam Convention. The Secretariat noted the COP will establish the committee’s terms of reference.

URUGUAY requested inclusion of time limits regarding the procedure for identifying POPs, suggesting the COP could set them. The US said time-lines should allow for flexibility. The EU, supported by NORWAY, the RUSSIAN FEDERATION and IRAN, proposed that a decision to set aside a proposal be taken by the COP. The US and AUSTRALIA said the committee should be given authority to take a decision on rejecting a proposal. JAPAN proposed applying screening criteria in a “preventative,” rather than “flexible” manner.

On the role of observers, JAPAN, IRAN and COLOMBIA requested defining and listing “observers.” The US proposed developing language to ensure observer participation, highlighting the role of industry. COLOMBIA expressed concern with the US’s undue emphasis on industry. The Secretariat drew attention to the UNEP Governing Council’s rules of procedure. POLAND proposed deleting reference to observers, stating the COP should determine its own rules.

Regarding the Precautionary Principle, NORWAY, the GAMBIA, MALI, ECUADOR and others supported its inclusion in the text. The EU agreed with taking a precautionary approach and suggested a separate paragraph be inserted to reflect this, which COLOMBIA, NORWAY, the GAMBIA and INDONESIA and others supported. IRAN proposed including a definition of the Precautionary Principle in the convention. The RUSSIAN FEDERATION highlighted the contradiction between applying the Precautionary Principle and scientific criteria. The US, the RUSSIAN FEDERATION and JAPAN preferred reference to the Precautionary Principle in the preamble, and, with the PHILIPPINES and INDIA, opposed reference to it in Article F. CANADA and AUSTRALIA expressed their support for the concept of a precautionary “approach,” but did not support inclusion in the Article.

Highlighting the dangers of POPs, the SUSTAINABLE DEVELOPMENT POLICY INSTITUTE and the WORLD WIDE FUND FOR NATURE urged delegates to adopt a precautionary approach. Chair Bucchi proposed holding a more generic discussion on the Precautionary Principle, and requested delegates to refrain from further discussions on the principle within Article F.

**IN THE CORRIDORS**

With progress on financial resources and mechanisms within the IAG not easy to discern, some sources point to bilateral discussions in the corridors as the way forward, with hints of funds being extended in exchange for concessions on degrees of commitment.

**THINGS TO LOOK FOR TODAY**

**PLENARY:** Plenary will meet at 10:00 am to continue consideration of Article F to discuss Annexes E & F. Article D and the COP (Article O). In the afternoon Plenary, the IAG will present its report and the revised Articles J and K.