



## ROTTERDAM COP-1 HIGHLIGHTS: TUESDAY, 21 SEPTEMBER 2004

Delegates met in a Committee of the Whole (COW) session in the morning and afternoon to continue deliberations on, among others: composition of the PIC regions; establishment of the Chemical Review Committee (CRC); and technical assistance. A contact group on PIC regions convened in the morning, and a contact group on the CRC met in the afternoon.

### COMMITTEE OF THE WHOLE

**RULES OF PROCEDURE FOR THE COP: Report of the Legal Group:** Alistair McGlone (United Kingdom), chair of the legal group, announced that a compromise was reached on the rules of procedure for the COP, and said a conference room paper (CRP) will be presented to the COW on Wednesday. Delegates agreed to reconvene the legal group to continue work on the chemicals added to Annex III by COP-1 and on the legal aspects of the financial rules and provisions.

**COMPOSITION OF THE PIC REGIONS:** Lorenzo González Videla (Argentina), chair of the contact group on the composition of PIC regions, explained that the group met Tuesday morning and agreed to: adopt the proposed regions and listings of countries as PIC regions "only for the purposes of Article 5.5" (Procedures for banned or severely restricted chemicals); and recommend that regional groups review the assignment of countries to PIC regions and inform the COW should some countries want to be re-assigned to another PIC region. Nigeria, on behalf of the AFRICAN GROUP, asked that all African countries be grouped in one PIC region.

**ESTABLISHMENT OF THE CRC:** Niek van der Graaff, Joint Executive Secretary (FAO), highlighted outstanding issues relating to the establishment of the CRC and conflicts of interest relating to its activities (UNEP/FAO/RC/COP.1/17 and 31). Recalling Monday's discussion on the CRC's establishment, he noted disagreement remained on: composition; the balance between developed and developing country experts; the length of terms and the timing of nominations; the frequency of meetings; and the date of the first CRC meeting. MOROCCO asked that experts' term of service not exceed two years and, with the RUSSIAN FEDERATION, supported the use of UN regions in selecting CRC members.

Delegates agreed that an open-ended contact group would continue discussions on CRC-related issues.

**ACTIVITIES OF THE SECRETARIAT AND ADOPTION OF A BUDGET:** Jim Willis, Joint Executive Secretary for the Secretariat of the Rotterdam Convention (UNEP), introduced a note by the Secretariat on its activities and on the adoption of a budget (UNEP/FAO/RC/COP.1/30 and 30/Add.1). JAPAN requested clarification on why expenditures had increased relative to projected amounts in the period 2003-2005. Willis responded the increase was due to, among others, exchange rate fluctuations and projected increases in conference services. The AFRICAN GROUP urged better African representation at the Secretariat. The EUROPEAN COMMUNITY (EC) stressed the need for more detailed reporting on notifications and import responses and for a provisional budget for 2006. The COW took note of the Secretariat's report, and set the agenda item aside for consideration in a budget contact group.

### ENCOURAGEMENT OF THE WORLD CUSTOMS ORGANIZATION TO ASSIGN SPECIFIC HARMONIZED SYSTEM CUSTOMS CODES TO THE CHEMICALS LISTED IN ANNEX III:

Willis introduced a draft decision encouraging the World Customs Organization to assign harmonized system customs codes to the chemicals listed in Annex III (UNEP/FAO/RC/COP.1/18). The draft decision was approved by the COW.

**CONSIDERATION OF ARRANGEMENTS BY UNEP AND FAO FOR PROVISION OF THE SECRETARIAT:** With reference to the arrangements by UNEP and FAO for performance of the Convention's secretariat functions, Willis introduced a draft decision inviting UNEP and FAO to make arrangements and present them to COP-2 for consideration and approval (UNEP/FAO/RC/COP.1/19). The EC, supported by NORWAY, proposed an amendment inviting UNEP and FAO to appoint an Executive Secretary in consultation with the COP through the Bureau. JAPAN said the appointment should be approved by the COP. Chair de Azevedo Rodrigues proposed compromise text on the appointment of an Executive Secretary in consultation with the COP. The EC accepted this compromise, while JAPAN and ANGOLA questioned whether this proposal was in line with current practice for appointing the executive secretaries of international organizations. The COW adopted the decision *ad referendum* including an amendment which provides for the appointment of the Executive Secretary in consultation with the COP.

**NON-COMPLIANCE:** Bill Murray, Secretariat, introduced a draft decision on procedures and institutional mechanisms for determining non-compliance (UNEP/FAO/RC/COP.1/20). Stressing that Article 17 (Non-compliance) asks the COP to



develop and approve procedures of non-compliance “as soon as practicable,” Murray said a significant number of issues remain unresolved. CANADA, the EC and EGYPT called for progress on this issue. AUSTRALIA, supported by the GAMBIA, expressed some reservation about adopting a non-compliance regime at COP-1, suggesting that a period of operation of the Convention would reveal the problems faced by Parties. The GAMBIA, supported by NIGERIA, said capacity building goes hand-in-hand with compliance. Delegates agreed to postpone discussions on the issue.

**SETTLEMENT OF DISPUTES:** Masa Nagai, Secretariat, introduced draft rules on arbitration (UNEP/FAO/RC/COP.1/21) and conciliation (UNEP/FAO/RC/COP.1/22). On the rules on conciliation, ETHIOPIA said that Article 9 of the rules, which stipulates that the costs of the conciliation commission “shall be borne by the parties to the dispute in shares agreed by them,” may inhibit developing countries from using the procedure, and should be rearticulated in light of equity considerations. Delegates agreed to suspend discussions on this issue pending a submission by Ethiopia.

**COOPERATION WITH THE WORLD TRADE ORGANIZATION:** Murray introduced a document and a draft decision on cooperation between the Rotterdam Convention Secretariat and the World Trade Organization (UNEP/FAO/RC/COP.1/29). CANADA said it had prepared a revised decision after consultations with a number of countries and groups. Discussion was suspended on this issue pending the availability of a CRP from Canada including the revised text.

**AMENDMENTS TO ANNEX III:** Murray introduced a document and a draft decision addressing inconsistencies within Annex III of the Convention and inconsistencies between Annex III and DGDs (UNEP/FAO/RC/COP.1/26), which would amend the entries in Annex III for 2,4,5-T, pentachlorophenol, dinoseb and dinoseb salts, and methyl parathion. CANADA suggested that a footnote be added noting that the Chemical Abstracts Service registry numbers listed were those of the parent compounds. Delegates accepted the draft decision as amended by Canada.

**DISCONTINUATION OF THE INTERIM PIC PROCEDURE:** Murray introduced a document on discontinuing the interim PIC Procedure (UNEP/FAO/RC/COP.1/24), and a document and two draft decisions on transitional arrangements (UNEP/FAO/RC/COP.1/26). The decisions establish a transition period of two years from entry into force in which the interim PIC Procedure will continue to operate, and clarify the roles of Parties and non-Parties in the transitional period. Delegates took note of the documents, and adopted the draft decisions on transitional arrangements.

**TECHNICAL ASSISTANCE STRATEGY:** Murray introduced the INC’s recommendations for action by COP-1 regarding the regional delivery of technical assistance to Parties (UNEP/FAO/RC/COP.1/28). JAPAN stressed that technical assistance is covered by voluntary funds and not by the core budget. NIGERIA, supported by SENEGAL and MOROCCO, underlined the need for a sound financial mechanism for technical assistance and said the African Group will provide a proposal on Wednesday. Chair de Azevedo Rodrigues noted that the Convention does not provide for a financial mechanism and that its establishment would require an amendment at COP-2. MALAYSIA stressed the need for adequate funding, and URUGUAY supported the use of existing structures for technical assistance. Emphasizing that technical assistance funds should flow through existing channels, the EC noted incon-

sistencies in the document and said that it will provide a CRP on technical assistance to the COW on Wednesday. Supported by CANADA, he requested more information on the links between costs and activities. JAMAICA suggested the Secretariat lobby governments to allocate more resources to chemicals management, and the GAMBIA proposed amendments reflecting this. Noting that support for national activities falls under supplementary activities not financed by the 2005 budget, TOGO questioned whether this could come under core activities to allow for an increase in assistance. CANADA said it could support this proposal. The issue will be taken up again on Wednesday morning in the COW.

### **CONTACT GROUP ON PIC REGIONS**

A contact group chaired by González Videla met Tuesday morning to discuss a draft decision on the composition of the PIC regions (UNEP/FAO/RC/COP.1/4, Annex II). Some delegations expressed concern at the fact that the interim PIC regions, based on the FAO regions, may not be adequate in the context of chemicals. Other delegations highlighted that while the PIC regions are meant to apply for notification purposes only, the interim PIC regions were in fact applied in other contexts, such as financial assistance and the Convention’s subsidiary bodies. Delegates agreed on final wording which limits the application of the PIC regions. A CRP with the draft decision will be forwarded to the COW.

### **CONTACT GROUP ON ESTABLISHMENT OF THE CRC**

The contact group on the CRC, chaired by González Videla, met in afternoon and evening sessions. Participants agreed that experts serve four-year terms, with special provisions to ensure that half the membership rotate every two years. It was agreed that the CRC would meet annually, and February 2005 was proposed as the date for its first meeting. Delegates agreed to annex the proposed conflict of interest rules and procedures to the decision establishing the CRC, and approved wording removing specific reference to English as the working language of the CRC. Participants discussed several options relating to the Committee’s size and composition, based on the five UN regions, and could not reach agreement. With proposed sizes of 29, 32 or 34 members, and several possible distributions among regions, a few developed countries expressed concern over the budgetary implications of a larger size. Developed and developing countries disagreed on which distributions met the requirements for equitable geographical distribution and a balance between developed and developing country Parties as specified under Article 18 of the Convention (Conference of Parties).

The Secretariat will prepare a CRP reflecting the discussion, and the COW will resume consideration of these issues on Wednesday.

### **IN THE CORRIDORS**

Late Tuesday afternoon, some delegates suggested that the lack of funding for technical assistance makes Parties reluctant to engage in more detailed discussion. A number of developing country delegates expressed their desire to see a decision on a financial mechanism considered at COP-2. Others predicted that Parties will seek to exclude a financial mechanism from the Convention and instead advocated routes that emphasize the Secretariat’s role in facilitating access to national resources, and allocating funds from the core budget for a limited number of specific technical assistance tasks. Yet others pointed to budget limitations, contrasting the still small number of Parties with the likely high costs of the Secretariat and the Convention’s subsidiary bodies.