



## PIC COP-2 HIGHLIGHTS THURSDAY, 29 SEPTEMBER 2005

Delegates met in plenary throughout the day to address: issues raised by the CRC; cooperation with the World Customs Organization (WCO) and the World Trade Organization (WTO); technical assistance; Secretariat arrangements; and the financial mechanism. A contact group on budget met in the morning, and a contact group on non-compliance met several times throughout the day.

### PLENARY

**CRC EXPERTS:** The African States nominated the Democratic Republic of Congo to replace Gabon in the CRC, and President Roch said the name of the representative should be given to the Secretariat before 1 December 2005.

**ISSUES RAISED BY THE CRC: Additional information:** AUSTRALIA reported on the results of the drafting group on consideration for a study on DGDs' scope (UNEP/FAO/RC/COP.2/CRP.4), informing the Secretariat would be requested to prepare a paper reviewing the information exchange mechanisms and the clearing house to assess how these are meeting Parties' needs. Parties adopted the document, together with a revised version of the process for drafting DGDs reflecting changes agreed on Tuesday (UNEP/FAO/RC/COP.2/CRP.6).

**COOPERATION WITH WCO:** The Secretariat presented documents on cooperation with the WCO (UNEP/FAO/RC/COP.2/16 and UNEP/FAO/RC/COP.2/INF/4), noting the assignment of specific Harmonized System (HS) customs codes to the individual chemicals or groups of chemicals listed in Annex III (Chemicals subject to the PIC procedure), and the possibility of joint training of customs officials. ETHIOPIA proposed including Designated National Authorities (DNAs) in the training. IRAN suggested converting the six digit HS codes into 11 digits to distinguish Annex III chemicals from those not included in the Annex. SWITZERLAND, supported by SYRIA, proposed including the compilation of HS codes for Annex III chemicals (UNEP/FAO/RC/COP.2/CRP.2) on the Convention's web site and in COP-2's report. The EU, KENYA and TANZANIA supported training customs officers, with the EU proposing to look for synergies with other environmental conventions providing such training. ARGENTINA supported customs training cooperation with the Basel Convention. The COP endorsed continued collaboration with the WCO and decided to address training proposals when dealing with technical assistance.

**COOPERATION WITH WTO:** The Secretariat presented a document (UNEP/FAO/RC/COP.2/15) stating that although it had been unable to achieve observer status at the WTO Committee on Trade and Environment, it had been invited to attend the Committee's Special Sessions on a meeting-by-meeting basis, and had provided the WTO with a matrix regarding trade provisions in the Rotterdam Convention. The Secretariat then presented findings from a report on the applicability of international trade to the Convention (UNEP/FAO/RC/COP.2/13), including that the absence of international trade in a hazardous chemical does not preclude its consideration by the CRC. ARGENTINA commented that they had requested this report, and that international trade should be taken into account by the CRC when analyzing severely restricted pesticide formulations.

**COMMUNICATION WITH GOVERNMENTS:** The Secretariat presented a document on this issue (UNEP/FAO/RC/COP.2/17). The EU suggested, and the COP agreed, to invite governments to provide individuals in official contact points, and the Secretariat to maintain both a list of official contact points for non-administrative matters, and one with contact details for DNAs. The COP also agreed to: ask governments to transmit their official channel of communication on non-administrative matters; request the Secretariat to adopt and maintain lists of accredited observers; invite relevant observers to provide up-to-date contact information; and invite other observers to express their interest in being invited to COP meetings.

**REGIONAL DELIVERY OF TECHNICAL ASSISTANCE:** The Secretariat presented on the experience gained regarding delivery of regional assistance, and a draft decision on the issue (UNEP/FAO/RC/COP.2/12). Several delegations called for synergies between chemicals-related conventions and other relevant conventions and activities, such as trade-related conventions and customs initiatives. Nigeria, for the AFRICAN GROUP, called for legislation stressing synergies between chemicals-related activities. ETHIOPIA urged consideration of waste-related issues, and recommended close collaboration with the Basel Convention's Secretariat. Many delegates welcomed the collaboration of the United Nations Institute for Training and Research (UNITAR) in technical assistance, and UNITAR announced that it would support the participation of one or two additional countries in a pilot project on implementation plans for the Convention. The EUROPEAN COMMISSION pledged a contribution to the special trust fund for technical assistance. CHINA and others called for technical assistance at the national level. The AFRICAN GROUP, CHINA, the BASEL



CONVENTION SECRETARIAT and URUGUAY stressed the role Basel Convention Regional Centers play in implementing the Rotterdam Convention, and called for predictable financial resources to support them. BRAZIL and MOROCCO highlighted the role of regional centers to be created under the Stockholm Convention. The WORLD HEALTH ORGANIZATION noted its role in delivering health-related technical assistance. The EU proposed new text on the Bali Strategic Plan for technology support and capacity building in the preamble of the draft decision. He also suggested adding a reference to DNAs, customs services, and other relevant organizations. CHINA proposed including national technical assistance in addition to regional assistance in the title of the decision, and in an operative paragraph requesting the Secretariat to prepare a programme of activities for 2007–2008. The decision was adopted as amended by the EU and China.

**ELECTION OF OFFICERS FOR COP-3:** The COP elected Andrea Repetti (Argentina); Helga Schrott (Austria); Azhari Omer Abdelbagi (Sudan); and Yue Ruisheng (China) as bureau members for COP-3.

**BUDGET:** Contact group Chair Jean-Louis Wallace (Canada) reported that agreement had been reached on all items of the budget. President Roch indicated that a decision on the budget will be taken in plenary on Friday.

**SECRETARIAT ARRANGEMENTS:** The Secretariat introduced a note on arrangements by UNEP's Executive Director and FAO's Director-General for performance of the Convention's Secretariat functions, including a memorandum of understanding (MoU) (UNEP/FAO/RC/COP.2/14 and 14/Add.1). SWITZERLAND and CANADA said it should be possible to amend the MoU if necessary, and the Secretariat clarified it could be amended if agreed by FAO and UNEP, and approved by the COP.

On synergies between conventions, the Secretariat introduced decisions taken by COP-1 of the Stockholm Convention accepting the Rotterdam Convention's invitation to share the position of joint head of Secretariats, and on a study on cooperation and synergies between the Stockholm, Rotterdam, and Basel Conventions (UNEP/FAO/RC/COP.2/INF/7). NEW ZEALAND introduced its joint proposal, with Canada, Liechtenstein, Norway, Republic of Korea, Switzerland and the EU, and supported by NIGERIA and IRAN, calling for an additional report on financial and administrative information regarding potential synergies and identifying any financial savings (UNEP/FAO/RC/COP.2/CRP.5). He said the study should be considered at the 9th Special Session of the UNEP Governing Council (GC), and at the COPs of the three Conventions in 2006. BRAZIL opposed references to: inviting the Executive Director of UNEP to prepare a report for the UNEP GC; inviting UNEP and FAO to adapt arrangements as necessary to any decisions by the Stockholm and Basel COPs; and identifying financial savings that might be available to facilitate projects. SOUTH AFRICA, with the GAMBIA and CHINA, concurred, and suggested several drafting modifications. The US raised concerns about funding for such a study, and warned against prejudging the conclusions of the Stockholm Convention's report. A group was created to work on a draft decision.

**FINANCIAL MECHANISMS:** On the study of possible options for lasting and sustainable mechanisms (UNEP/FAO/RC/COP.2/10), many developing countries expressed support for: the establishment of a financial mechanism for chemicals agreements; the expansion of the GEF POPs focal area to serve chemicals-related activities; and the establishment of a Rotterdam Convention financial mechanism. IRAN and TOGO preferred a financial mechanism for chemicals agreements, while BRAZIL and ETHIOPIA preferred a mechanism for the Convention. NEW ZEALAND and others stressed the need to inquire with relevant

donors, such as the Multilateral Fund of the Montreal Protocol and the GEF, about the feasibility of different options. The MULTILATERAL FUND SECRETARIAT noted that decisions on the availability of funding depended on the parties to the Montreal Protocol. SOUTH AFRICA stressed the need to consider options for the interim period, but expressed concern about not being eligible for Multilateral Fund assistance under the Montreal Protocol. TOGO, KENYA and NIGERIA expressed support for the Multilateral Fund option in the interim period if South Africa's problems were accommodated. The use of the Multilateral Fund was also supported by the EU, who also called for enhancing the voluntary trust fund of the Convention, and the mainstreaming of chemicals into multilateral and bilateral development aid. The COP asked the Secretariat to prepare a decision to further work on this issue.

#### **CONTACT GROUP ON NON-COMPLIANCE**

The contact group met Thursday morning and twice in the afternoon to resolve controversial issues including what measures, if any, could be applied to a party if facilitative measures were inadequate to achieve compliance. It was suggested that facilitation and capacity building may only address certain types of non-compliance. Several options were eliminated, but debate persisted over how directive the language should be and whether decisions should be taken by consensus.

The composition and size of the compliance committee also remained unresolved with options on basing it on either the UN or the PIC Regions. The underlying issue of triggers to the compliance mechanism remained divisive, with several countries unwilling to allow party-to-party or Secretariat triggers, let alone those made by NGOs or individuals.

#### **CONTACT GROUP ON BUDGET**

Negotiations in the contact group focused on the professional personnel budget line of the core Secretariat costs, in particular the three staff posts contributed in-kind by FAO. Some delegates argued that the salaries for these posts should not appear in the budget, as they were not actually being paid by the Convention's budget. Delegates agreed to reference FAO's in-kind contribution, but create a salary contingency reserve in case FAO withdraws its contribution. Discussions also extended over the budget line for the compliance committee due to the little progress made on this issue, with some proposing its deletion. Most delegates opposed funding an additional intersessional meeting to continue the negotiation, and preferred having the contact group on non-compliance complete its work at COP-3.

#### **IN THE CORRIDORS**

Recalling SAICM's exhausting and even tedious financial mechanism discussions, some developing countries feel that the financing of the chemical conventions cluster is the "ugly duckling" of the international environmental finance world, and cannot compete in terms of access to funding with climate change, biodiversity and ozone depletion conventions. Others say it is receiving less attention than it deserves at this meeting. Meanwhile, some delegates from developed countries contend that they are "financial-mechanism fatigued," and that SAICM is the place to discuss this issue.

In another of the many FAO corridors, some delegates lamented that sustained efforts to weaken the compliance mechanism amount to an effort to "weasel out" of the Convention's obligations. Others believe that once a "black sheep" has been identified as non-compliant, they should be lured back to the flock through facilitation and capacity building, instead of being hit with punitive measures which might prevent others from joining the Convention.