



PIC INC-7 HIGHLIGHTS

THURSDAY, 2 NOVEMBER 2000

On the fourth day of INC-7, delegates met in morning Regional Group sessions and in the Legal Working Group on rules of procedure for the COP, dispute settlement and non-compliance. Afternoon Plenary discussions centered on the assignment of Harmonized System customs codes for PIC chemicals, the report of the Contact Group on contaminants, and matters relating to ICRC experts.

PREPARATION FOR THE CONFERENCE OF THE PARTIES (COP)

ASSIGNMENT OF HARMONIZED SYSTEM CUSTOMS CODES:

Erik Larsson, Interim Secretariat, outlined the Assignment of Specific Harmonized System Customs Codes (UNEP/FAO/PIC/INC.7/11 and INC.7/INF/3). He reminded delegates that INC-6 had invited the Secretariat to initiate contact with the World Customs Organization (WCO), and that the WCO was encouraged to assign Harmonized System (HS) customs codes to Annex III chemicals. He said the Secretariat had also been invited to report on progress made by the Montreal Protocol and Basel Convention Secretariats in assigning HS customs codes. Larsson said the WCO provided a list of HS codes for Annex III chemicals, noting that some chemicals were not assigned a code. He explained that HS codes are assigned according to a product's application, but that Annex III chemical uses were not always clear to the WCO. He said a meeting would be held in early 2001 to discuss a coordinated approach between the WCO and UNEP Secretariats.

A representative of the WCO outlined progress made by his organization toward assignment of HS customs codes (UNEP/FAO/PIC/INC.7/CRP.4). He noted that HS custom codes are used by more than 175 countries and customs or economic unions, and are used for trade policy, rules of origin, monitoring of certain controlled goods, internal taxes, freight tariffs and transport statistics. He said the HS Committee prepares recommendations in order to ensure uniformity in HS application and can furnish infor-

mation or guidance on any matters concerning classification of goods by interested parties. Describing the HS structure, he said it was divided into sections, chapters, headings and subheadings, and that goods are arranged according to level of manufacturing, from raw to finished products.

On classification of chemicals, he noted that Chapters 25, 26 and 27 form Section V of the HS, which is devoted to mineral products, while Section VI refers to chemical or allied industry products. The WCO observed that from descriptions given of chemicals under the Convention, it is not clear whether they are mixed or unmixed, or what their application may be.

He said that in order to be identified in the HS separately, goods have to satisfy three conditions: (1) based on the present HS structure, the relevant subheading should be convenient for accommodating further subdivisions; (2) it should be possible for customs officers to distinguish the substance from other items under the subheading; and (3) the volume of world trade in the product should be above US\$50 million. He summarized amendments requested by the Montreal Protocol Secretariat, OECD and the EU. He recommended future joint action by the WCO and UNEP, including: (1) development of a correlation table between Annex III chemicals and the HS; (2) a proposal by UNEP to the WCO for separate identification in the HS of substances controlled under PIC; and (3) another UNEP proposal to the WCO for a draft WCO recommendation on the insertion of nomenclatures for collection of data on substances controlled by the Convention.

CAMEROON emphasized that ratification experiences of other conventions should be considered, and noted further work needed on policy and technical issues. The EUROPEAN COMMUNITY (EC) said it was willing to make a proposal to the WCO regarding modification of the HS to include codes for chemicals under the Convention, and suggested that the Secretariat work with the EC on this matter. He noted a resolution made at the Intergovernmental Forum on Chemical Safety (IFCS Forum III) asking countries to support initiatives in this area. REPUBLIC OF KOREA requested the Secretariat to continue work with the WCO,

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in cooperation with other interested organizations. Chair Rodrigues noted that INC-7 would take note of the information presented by the Secretariat and the WCO.

REPORT OF THE CONTAMINANTS CONTACT GROUP

Chair Reiner Arndt presented the Report of the Contact Group on Contaminants (UNEP/FAO/PIC/INC.7/CRP.8). He explained that the group was convened to discuss the adoption of a policy recommendation on whether or not a pesticide for which an acceptable level of contaminant was identified could be the basis for forwarding a notification of control action to the Secretariat (Article 5 of the Convention). He said that although they failed to achieve that goal, two divergent approaches to the notification procedure resulted from their work. He described the two approaches: (1) if the nominated pesticide is considered to be one of two separate entities, the pesticide containing more than the upper limit of contaminant is banned; and (2) if it is considered a single entity, the pesticide would not likely be considered to have met the criteria of Annex II of the Convention. He highlighted the group's recommendation that the INC request the ICRC to apply the two approaches to maleic hydrazide on a pilot basis without prejudice to any future policy on contaminants. Chair Rodrigues thanked Arndt and the group for their work.

EGYPT, supported by SAMOA, noted the lack of discussion on industrial chemicals and suggested a study group. Arndt apologized for not mentioning the lack of discussion on industrial chemicals, although it was brought up by many participants. Chair Rodrigues said this would be included in the INC's report. NEW ZEALAND sought clarification of the content of the recommendation in the contact group report on contaminants with regard to ICRC application of the two approaches. The EC said the decision of the Contact Group on the two approaches was appropriate, noted the reference to FAO specifications on pesticides, and suggested faster work on this issue, including the analysis of toxicological effects of contaminants. Jim Willis, UNEP Chemicals, said that the Secretariat would take note of EGYPT's comments on industrial chemicals. The RUSSIAN FEDERATION suggested that the only way to avoid risks to human health and the environment is to exclude contaminants from products. The UNITED ARAB EMIRATES (UAE) advocated banning dicofol, an acaricide that contains DDT. Chair Rodrigues closed the debate and took note of the report of the Contact Group.

OTHER MATTERS

AUSTRALIA, noting discussions with NEW ZEALAND, NORWAY, the US and CANADA, proposed that the Secretariat prepare a declaration form and procedure regarding conflicts of interest of ICRC technical experts and consider approaches in other conventions. Jim Willis observed that examining rules of scientific

bodies of other conventions would be impracticable and suggested that Australia identify specific examples. Delegates agreed with this suggestion.

IN THE CORRIDORS I

Following news of slow progress in the Contact Group on contaminants and a decision to refer the issue back to the ICRC, several sources intimated that the sentiment shared among some Contact Group members was approaching dissatisfaction. Others assured, however, that the ICRC was the best place to discuss what is emerging as a complicated issue, and one with important implications not least for assigning Harmonized System customs codes to potential PIC chemicals.

IN THE CORRIDORS II

A number of participants hinted that expeditious progress through the meeting agenda was related in part to the timing of INC-7. With INC-7 squeezed between the recently-completed IFCS Forum III and the looming preoccupations of the penultimate and make-or-break POPs negotiation, it was suggested that many delegations were either following-up on Forum recommendations or preparing positions for POPs INC-5. One observer commented that several of the usually vocal developed country delegations were comprised of more new faces than familiar ones, underscoring the problem of allocating human and other resources during a heavy calendar of international chemicals meetings.

THINGS TO LOOK FOR TODAY

PLENARY: Delegates will reconvene for closing Plenary at 10:00 am in Room 2 of the Geneva International Conference Centre. Participants will: hear a report from the Legal Working Group on rules of procedure of the COP, dispute settlement and non-compliance; and consider the Report of the Meeting.

Signatories to the Rotterdam Convention: 73

Current Ratifications: 11

Number Needed for EIF: 50

ENB SUMMARY OF INC-7:

The ENB Summary report of PIC INC-7 will be available on Monday, 6 November at:
<www.iisd.ca/chemical/pic/pic7/>