

PIC COP-3 HIGHLIGHTS:

WEDNESDAY, 11 OCTOBER 2006

The PIC COP-3 met in plenary throughout the day, heard the budget contact group report and addressed synergies, technical assistance, information exchange and cooperation with the World Customs Organization (WCO) and the World Trade Organization (WTO). The non-compliance working group and the financial mechanisms contact group met throughout the day and into the evening. The synergies contact group convened in the afternoon. A Friends of the Chair Group also met in a closed format, at lunchtime and in the evening, to continue discussions on chrysotile asbestos.

IMPLEMENTATION OF THE CONVENTION

CONFIRMATION OF CRC EXPERTS: President Yue presented UNEP/FAO/RC/COP.3/CRP.3 on appointing the Democratic Republic of Congo's expert, which was reconfirmed by plenary.

REPORT FROM THE BUDGET CONTACT GROUP: Chair Paul Garnier noted open lines in the 2007-2008 proposed budget, which depend on decisions to be taken on non-compliance, synergies and financial mechanisms. He noted the group requested additional information on the level of the working capital reserve and on outstanding contributions. On scale of parties' contributions discussed by Argentina, Chair Garnier noted that Brazil and Mexico said they would not oppose contributions based on the current assessment, although it was unbalanced for developing countries and should be revisited to reflect the principle of shared responsibility among parties. They requested this statement be included in the decision's text. The group will reconvene on Thursday.

ISSUES FROM PREVIOUS COPS

NATIONAL AND REGIONAL DELIVERY OF TECHNICAL ASSISTANCE: The EU suggested numerous additions to the draft decision, including: reference to poverty issues and the Millennium Development Goals (MDGs); asking the Secretariat to identify technical assistance needs of developing countries and those with economies in transition; and preparing a report for COP-4 on experiences gained in the regional and national delivery of technical assistance.

COOPERATION WITH WCO: The Secretariat outlined continued cooperation with the WCO (UNEP/FAO/RC/COP.3/16), referred delegates to the WCO's Harmonized System (HS) codes for Annex III-listed chemicals or groups of chemicals, in the document's Appendix, and noted the deferred assignment of specific codes for asbestos pending a decision on chrysotile. Following requests from CANADA and SWITZERLAND, the Secretariat agreed to review and correct anomalies in the Appendix. Several countries welcomed capacity building for customs officials in identifying Annex

III substances, with SENEGAL proposing the use of the Basel Convention Training Centre, IRAQ urging addressing the "science gap" and IRAN requesting support for chemical detection instruments in customs departments. LIBERIA, supported by NIGERIA, commended the Green Customs initiative, suggesting it be used as a model. Responding to a question from SWITZERLAND on interim arrangements prior to the next HS code revision in 2012, the Secretariat reassured delegates that all chemicals listed to date will be included, and said annotated information is being considered. COP-3 took note of the report and encouraged the Secretariat to continue cooperation with the WCO.

COOPERATION WITH WTO: The Secretariat highlighted progress made on implementation of decision RC-1/15 (UNEP/FAO/RC/COP.3/17 and UNEP/FAO/RC/COP.3/INF/8), noting in particular the lack of progress in obtaining WTO observer status at special sessions of the Committee on Trade and Environment (CTE). SWITZERLAND said cooperation with the WTO is crucial, highlighting the principles of no hierarchy between trade and environment, mutual supportiveness and deference. He said the Rotterdam Convention should seek observer status at ordinary sessions of the CTE as well as its special sessions. CANADA asked for clarification on failure to obtain observer status, and asked if further guidance from the COP was needed. The WTO said observer status needed to be resolved in the WTO's General Council.

STUDY OF USING DIFFERENT CURRENCIES IN THE BUDGET: President Yue introduced and COP-3 adopted the draft decision (UNEP/FAO/RC/COP.3/CRP.5).

SYNERGIES: Maged Younes, Head of UNEP Chemicals, introduced UNEP/FAO/RC/COP.3/25 and CORR.1 on enhancing synergies of the chemicals and waste conventions, highlighting these had been prepared by the Secretariat to facilitate the COP's work on this long-standing issue.

Many parties supported the promotion of synergies between the work of the Basel, Rotterdam and Stockholm Conventions. NEW ZEALAND, supported by the EU, the AFRICAN GROUP, the LATIN AMERICAN AND THE CARIBBEAN GROUP (GRULAC), SWITZERLAND, CHILE, OMAN and NORWAY, urged participation in the *ad hoc* joint working group proposed by POP COP-2, and referring substantive discussions to that *ad hoc* group. He also proposed nominating representatives from each PIC region, which these delegates also supported. The EU proposed the *ad hoc* group report to all three Conventions' upcoming COPs. CANADA, MEXICO and others opposed reopening discussions during COP-3. BRAZIL underscored the need to define "synergy" and called for financial support ensuring involvement of developing countries and those with economies in transition. INDIA urged agreement on the *ad hoc* group's terms of reference and mandate. The US expressed

concerns about the proposed *ad hoc* group, stressing that any findings would need to be revisited by the Conventions' COPs and the UNEP Governing Council.

The Secretariat introduced UNEP/FAO/RC/COP.3/19 and 20 as well as UNEP/FAO/RC/COP.3/INF.5, 7, 10 and 18. Following several delegates' opposition to reopening the general terms of reference proposed by Decision SC-2/15 (Cooperation and synergies), a contact group was established to consider Decision SC-2/15, the EU's proposed decision on reporting, and procedural questions.

INFORMATION EXCHANGE: The Secretariat introduced UNEP/FAO/RC/COP.3/21 and UNEP/FAO/RC/COP.3/CRP.4 on the issue. He noted the review's conclusions that information exchange challenges relate more to general chemicals or information management than compliance with the Convention's obligations. Many delegates encouraged parties to take full advantage of the Convention's information mechanisms. AUSTRALIA, SWITZERLAND and CANADA supported the EU and Norway's additional proposals on broader information exchange possibilities, with the EU stressing information exchange is at the Convention's core. The AFRICAN GROUP noted the problem of internet accessibility in Africa. OMAN urged parties to follow the EU's example on transparency in chemicals exports. COP-3 took note of the report.

WORKING GROUP

NON-COMPLIANCE: On measures, the group agreed on issuing a statement of concern regarding actual or possible future non-compliance. Many supported India's proposal, amended by the EU and SOUTH AFRICA, recommending that a non-compliant situation be remedied by the non-compliant party/parties. CHINA proposed that "remedied" be replaced by "addressed." Both references remain bracketed.

Many opposed the suspension of parties' rights and privileges, and supported OMAN, JORDAN and SUDAN on specifying a deadline for the ineligibility of the non-compliant party to serve as COP President or Bureau member. BRAZIL, CHINA and AUSTRALIA maintained this measure should be deleted, while the EU, NORWAY and SWITZERLAND favored its retention. Despite initial reservations by INDIA, VENEZUELA and MALAYSIA, the group eventually agreed to make cases of non-compliance public.

On triggers, JAPAN, supported by BRAZIL, OMAN and NIGERIA, said the trigger must be limited to those directly involved in the matter. INDIA, AUSTRALIA, JAPAN and CHINA opposed party-to-party and Secretariat triggers, while the EU, NORWAY and SWITZERLAND supported both triggers. JAMAICA proposed limiting the Secretariat trigger to activities facilitating compliance. Following an informal drafting group, delegates considered revised text, which specifies that when the Secretariat becomes aware of a compliance issue, it should work with the party concerned before forwarding the matter to the compliance committee. Several parties objected and discussions were suspended.

On membership, the group agreed to: set the number of committee members at 15; and include a Chair, a Vice-Chair and a Rapporteur. The group did not decide whether to base composition on PIC or UN regions and whether regional representation should be equitable or equal for all regions.

The group could not reach consensus on the open versus closed basis for the committee meetings, with the EU, NORWAY, SOUTH AFRICA, NIGERIA, ETHIOPIA and others stressing the meetings should be open but accommodate party requests for closed sessions, and AUSTRALIA, ARGENTINA, VENEZUELA and others stressing the meetings should be closed unless the party whose compliance is in question agrees otherwise. Discussions continued on the basis of Switzerland's proposal distinguishing between open sessions for systemic issues and closed ones on parties' compliance.

On decisionmaking, delegates agreed the quorum on a possible votes should be 10, although the option of whether to take a vote remains bracketed.

Regarding alternative formulations on receiving information, the EU said sources of information should be listed in an open-ended manner, while CANADA and AUSTRALIA supported specifying the ways in which information should be received.

On examining systemic issues of general compliance, the EU and NORWAY opposed language stating that requests for relevant information should be "directed by the COP." CANADA, AUSTRALIA, ARGENTINA, JAPAN, URUGUAY and CHINA supported the language. ARGENTINA noted the budgetary implications of requesting information. The text remains bracketed.

The group agreed to Canada and Australia's suggestion to reformulate the paragraph on the relationship with other MEAs by referring to information exchange with other compliance committees under relevant MEAs.

On periodicity of meetings, JAPAN said he could not authorize budgetary allocations for compliance meetings at this point. Delegates agreed to suggest to the COP that provision be made to allow for meetings in 2007 and in 2008, in conjunction with COP-4, subject to availability of funds. The group also agreed to hold meetings in English only. Discussions continued into the evening.

CONTACT GROUPS

FINANCIAL MECHANISMS: Co-chaired by Jozef Buys (Belgium) and Francisca Katagira (Tanzania), the group discussed its mandate and the format of its outcome. The US highlighted existing institutional barriers in developing countries to accessing funding, and the BASEL CONVENTION suggested a study be carried out regarding such barriers. Based on the study prepared by the Secretariat on possible options for lasting sustainable financial mechanisms (UNEP/FAO/RC/COP.3/13), delegates suggested elements that should be included in the draft decision. Co-Chair Buys took note of the suggestions and prepared a revised text that was discussed in the afternoon. Delegates fine-tuned the preamble language that refers to, *inter alia*, the importance of MDGs, poverty reduction, and coordinating financial strategies with the Stockholm and Basel Conventions, Montreal Protocol, SAICM and UNEP Chemicals. Delegates also addressed issues in the operative paragraphs, including inviting developing country parties to propose projects to: SAICM Quick Start Programme that will build capacities necessary for implementing PIC; and GEF that contributes to implementing both the Stockholm and PIC Conventions. Discussions continued into the evening.

SYNERGIES: The Synergies contact group, co-chaired by Guillermo Valles (Uruguay) and Jan-Karel Kwisthout (Netherlands), initially debated whether to simply endorse SC-2/15 but then moved on to discuss the EU's proposed text clarifying key procedural issues. On the operative text, delegates agreed to remove references to timing of the *ad hoc* groups reporting to other COPs, and specifying that the Convention would nominate, through the Bureau, three delegates from each of the five UN regions. The contact group also discussed at length text on whether to identify how many meetings would be funded by 2007-2008 proposed budget. The group continued discussions into the evening.

IN THE CORRIDORS

Geneva's cold and foggy weather seemed to reflect the mood of delegates in the corridors of PIC COP-3. Many delegates were casting disapproving frowns at a couple of delegations that opposed listing chrysotile asbestos, suggesting these parties misunderstand the PIC process and are trying to push their national trade interests and to squash the technical debate. Others gloomily predicted that if chrysotile does not make it into Annex III, despite all the scientific evidence available and the adherence to due process, it will establish a precedent for political issues to override scientific ones. As some delegates put it, the Convention finds itself on a "hot tin roof" and its credibility being questioned. On the sunny side, some delegates expressed cautious optimism regarding the outcome of the non-compliance working group as brackets started to disappear from the text.