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**Rotterdam Convention on the Prior
Informed Consent Procedure for Certain
Hazardous Chemicals and Pesticides in
International Trade
Conference of the Parties
Third meeting
Geneva, 9–13 October 2006
Item 8 of the provisional agenda*
Programme of work and consideration
of the proposed budget for the 2007–2008 biennium.**

Programme of work and proposed budget for the 2007–2008 biennium

Note by the secretariat

1. At its first meeting the Conference of the Parties, in decision RC-1/17, requested, among other things, the heads of the Convention secretariat to prepare a budget for the biennium 2007–2008.
2. Annexed to the present note is a detailed proposal for the programme of work and budget for the 2007–2008 biennium, together with information on the future trusteeship of the Convention trust funds.
3. The Conference of the Parties may wish:
 - (a) To consider and adopt the programme of work;
 - (b) To consider and adopt the proposed operational budget and staffing levels for 2007–2008;
 - (c) To provide guidance to the secretariat on the relative priorities of participants' travel and technical assistance in allocating funding from the voluntary Special Trust Fund;
 - (d) To consider maintaining the location of the Convention trust funds within UNEP, subject to a review at the fifth meeting of the Conference of the Parties.

* UNEP/FAO/RC/COP.3/1.

Annex

Programme of work and proposed budget for 2007–2008

I. Introduction

1. The present note sets forth the programme of work and proposed budget for the biennium 2007–2008 in chapters II and III below. Chapter II, on the programme of work, is largely structured in accordance with the functions of the secretariat as defined in paragraph 2 of article 19 of the Convention. Chapter III sets forth the proposed operational budget for 2007–2008 as requested in decision RC-1/17 and a response to the specific requests made in paragraphs 20 and 21 of that decision.

II. Programme of work for 2007–2008

2. This chapter is structured in such a way as to reflect the functions of the secretariat as set forth in subparagraphs 2 (a)–(e) of article 19 of the Convention.

A. Meetings of the Conference of the Parties and its subsidiary bodies

1. Fourth meeting of the Conference of the Parties

3. Under rule 3 of the rules of procedure, the meetings of the Conference of the Parties take place at the seats of the secretariat unless the Conference of the Parties decides otherwise or other appropriate arrangements are made by the secretariat in consultation with the Parties.

4. Unless otherwise decided by the Conference of the Parties, the fourth meeting of the Conference of the Parties will take place in Rome in September or October 2008.

5. Based on the costs of the second meeting of the Conference of the Parties, held in Rome from 27 to 30 September 2005, and taking note of the estimated costs for the third meeting of the Conference of the Parties, in Geneva, the estimate of the costs of conference services for the fourth meeting of the conference of the Parties is \$600,000 (appendix I). This does not take into account the costs of any parallel discussions which may be held in conjunction with the fourth meeting of the Conference of the Parties on topics such as non-compliance.

6. Secretariat services associated with the fourth meeting of the Conference of the Parties are included in the core secretariat costs (professional personnel and administrative support), as set forth in appendix I.

7. The costs of participants' travel to the fourth meeting of the Conference of the Parties will be met from the voluntary Special Trust Fund (appendix III). Based on the costs of the second meeting of the Conference of the Parties and the increase in the number of Parties to the Convention since that time, the cost estimate is \$500,000. This includes the costs associated with supporting a high-level segment at the fourth meeting of the Conference of the Parties.

8. Given that the Conference of the Parties will meet only every two years, the programme of work for 2007–2008 includes two meetings of the Bureau (appendix I). The first meeting is tentatively scheduled for the last quarter of 2007 so that the Bureau can advise the secretariat at the midpoint of the biennium on the implementation of the programme of work, in particular the technical assistance activities. The second meeting is envisaged for the second quarter of 2008 in order to prepare for the fourth meeting of the Conference of the Parties.

2. Third and fourth meetings of the Chemical Review Committee

9. In paragraph 9 of its decision RC-1/6, on the establishment of the Chemical Review Committee, the Conference decided that the Chemical Review Committee should meet for the first time in February 2005 and normally every year thereafter, subject to the availability of funds and the Committee's work requirements.

10. Under rule 29 of the rules of procedure, the Conference of Parties must decide on the dates of the meetings of the subsidiary bodies, taking note of any proposals to hold such meetings in conjunction with the meetings of the Conference of the Parties.

11. At its second meeting, held in Geneva from 13 to 17 February 2006, the Chemical Review Committee decided, subject to approval by the Conference of the Parties at its third meeting, to meet again in early 2007. A preliminary reservation for the third meeting of the Committee has been made for 19–23 March 2007 in Rome. The fourth meeting of the Committee is tentatively scheduled for March 2008 in Geneva.

12. Based on the costs of the second meeting of the Committee, the costs of conference services for the third and fourth meetings of the Committee are estimated at \$115,000 and \$120,000 (appendix I).

13. The costs of experts' travel to the Committee's third and fourth meetings will be met from the General Trust Fund (appendix I). Based on the costs of the second meeting of the Committee, experts' travel costs are estimated at \$75,000 and \$80,000 for the third and fourth sessions.

14. Secretariat services associated with Committee's third and fourth meetings are included in the core secretariat costs (professional personnel and administrative support), as set forth in appendix I.

B. Outreach and assistance to Parties in the implementation of the Convention

15. At its second meeting, in decision RC-2/4, on the regional delivery of technical assistance, the Conference of the Parties requested the secretariat to report to the Conference of the Parties at its third meeting on the experience gained in the regional delivery of technical assistance and also to prepare a detailed costed programme of activities for the regional and national delivery of technical assistance for the biennium 2007–2008 for consideration by the Conference of the Parties at its third meeting. A full description of a proposed programme of work for the regional delivery of technical assistance, along with a detailed budget, is presented in document UNEP/FAO/RC/COP.3/15. These costs (up to \$ 1,084,000 and \$1,119,000 in 2007 and 2008 respectively for a total of \$2,197,000) will be provided from the voluntary Special Trust Fund (appendix III).

16. A wide range of printed and other material to support implementation will be kept up to date and further developed in the official languages of the Convention. This includes reprinting and updating individual elements of the resource kit, including the text of the Convention, and also the translation of the documents entitled "Guidance to designated national authorities on the operation of the Rotterdam Convention" and "Legal guide to the implementation of the Convention", presently available in English, French and Spanish, into additional languages. The costs of those actions are estimated to be in the order of \$60,000 and \$70,000 in 2007 and 2008 respectively.

17. A mechanism of increasing importance in communicating with Parties is the Rotterdam Convention website, for which \$10,000 annually is envisaged for revision and updating so as to continue to meet the need of countries. Travel for the secretariat staff required to respond to the technical assistance needs of Parties is estimated to be in the order of \$60,000 annually. As those elements are key to the implementation of the Convention by Parties, they are included in the regular budget (appendix I). The staff costs associated with those activities are listed under the core secretariat costs (appendix I).

18. Assistance to Parties in evaluating chemicals, pursuant to article 10, subparagraph 4(b) (iv), is an integral part of the work of the secretariat, although this facility has yet to be used by Parties.

C. Coordination with secretariats of other international bodies

19. As part of its core operations, the secretariat is coordinating closely with the secretariats of other relevant international bodies. Such coordination is focused on but not limited to the secretariats of the following bodies: the Stockholm Convention on Persistent Organic Pollutants; the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal; the Vienna Convention for the Protection of the Ozone Layer and its Montreal Protocol on Substances that Deplete the Ozone Layer; the World Customs Organization (WCO); and the World Trade Organization (WTO) Committee on Trade and Environment. This cooperation is expected to continue in 2007–2008, subject to guidance received from the Conference of the Parties, and adjusted in accordance with the work of the secretariat. These coordination activities are included as part of the core secretariat costs as set forth in appendix I below.

20. There are proposal to increase cooperation in a number of areas. Coordination work with the Strategic Approach to International Chemicals Management (SAICM) may require additional staff resources during the biennium. While this may be managed within the agreed staffing structure, it will necessitate filling the posts agreed to in the budget for 2006 to ensure that sufficient staff resources are available. This is also a requirement for supporting the proposed work plan on synergies with the Stockholm and Basel Conventions. Once the secretariat is fully staffed, the costs associated with responding to these demands are primarily related to travel.

D. Other secretariat functions as specified by the Convention and determined by the Conference of the Parties

21. In line with the detailed description found in the report on activities of the secretariat, (UNEP/FAO/RC/COP.3/22), the secretariat will continue to perform the functions specified by the Convention in support to the implementation of the Convention. These functions include:

- (a) Maintaining the register of designated national authorities (article 4);
- (b) Processing notifications of regulatory actions to ban or severely restrict a chemical and forwarding them to the Chemical Review Committee (article 5);
- (c) Processing proposals for listing severely hazardous pesticide formulations and forwarding them to the Chemical Review Committee (article 6);
- (d) Drafting and dissemination of decision guidance documents (article 7);
- (e) Processing information regarding the removal of chemicals and forwarding it to the Chemical Review Committee (article 9);
- (f) Processing decisions regarding the future import of chemicals listed in annex III and disseminating the decisions to all Parties (article 10);
- (g) Working with WCO in assigning Harmonized System codes to the chemicals listed in Annex III (article 13);
- (h) Facilitating information exchange between Parties (article 14);
- (i) Communicating proposed amendments to the Convention (articles 21 and 22).

22. Tasks (a)–(f) above are principal responsibilities of the secretariat. They involve actions for which specific timelines are set forth in the Convention, in particular with respect to the verification of notifications of final regulatory actions and import responses submitted by Parties, and associated follow-up actions required for the operation of the prior informed consent (PIC) procedure. This includes the preparation, publication and distribution of the PIC Circular in English, French and Spanish twice yearly. The PIC Circular is the main medium for communicating information essential to the implementation of the PIC procedure to Parties. Preparation of the PIC Circular, and also the management of submissions of import responses and notifications of final regulatory actions, is contingent on an up-to-date database, requiring ongoing maintenance and updating. These tasks also involve working with Parties and others to compile information on candidate chemicals, and the preparation of documents, including decision guidance documents, necessary to the operation of the Chemical Review Committee. The non-staff costs associated with the production and distribution of the PIC Circular and decision guidance documents are in the order of \$50,000 per year (appendix I).

23. Working with WCO (subparagraph 21 (g) above) involves the secretariat in maintaining regular communications, including participation in meetings of the technical subcommittees of that organization, to ensure that the decision of the Conference of the Parties on the inclusion of chemicals in Annex III is accurately reflected in the Harmonized System codes. This also includes discussions with WCO on opportunities to integrate relevant information on the Rotterdam Convention into existing activities for training customs officials.

24. Other key activities of the secretariat which facilitate the implementation of the Convention include the provision of information and an information exchange (subparagraph 21 (h) above). These activities involve, among other things, including additional information in the PIC Circular, regularly updating the Rotterdam Convention website, responding to inquires on the operation of the Convention and following up with participants in regional and national workshops.

25. Proposed amendments to the Convention (subparagraph 21 (j) above) are handled through the Treaty Section of the United Nations Office of Legal Affairs.

26. The staff costs associated with performing these functions form part of the core secretariat costs (as set forth in appendix I in the entries against professional personnel and administrative support). The secretariat's workload in a number of these areas is growing as Parties become aware of their obligation to submit notifications and as the number of Parties to the Convention increases.

E. Core secretariat costs

27. The principal component of the core secretariat costs are those associated with staff. The number of professional personnel and administrative support staff has not increased from the level approved by the Conference of the Parties at its first meeting in the staffing table adopted in decision RC-1/17. The budget for 2007–2008 reflects a full complement of staff for the secretariat. To continue to meet the needs of Parties in the implementation of the Convention it will be important for those posts to be fully staffed by the end of 2006. The addition of new staff members will result in a need to purchase additional office furniture and equipment such as computers.

28. Provision is also made to accommodate official travel as needed to participate in meetings of the secretariat, the Chemicals Review Committee and the Conference of the Parties, and to ensure effective coordination with the secretariats of other international bodies as listed in section C above.

III. Operational budget for 2007–2008

29. This chapter sets forth the proposed operational budget for 2007–2008 and responds to the requests in paragraphs 20 and 21 of decision RC-1/17; it discusses also the staffing table of the Convention secretariat for 2007–2008.

A. Estimate for activities under the General Trust Fund

30. The proposed budget for 2007–2008 is given in appendix I

31. The secretariat staffing table approved by the Conference of the Parties at its second meeting in paragraph 9 of decision RC-2/7, amended to reflect the projected staffing situation, is shown in table I of appendix II below.

32. In paragraph 7 of decision RC-1/17, the Committee invited the governing bodies of the United Nations Environment Programme (UNEP) and the Food and Agriculture Organization of the United Nations (FAO) to continue their financial support for the operation of the Convention and its secretariat in 2007 and 2008.

33. The secretariat, located in Geneva, will continue to benefit from in-kind contributions from UNEP in 2007–2008 to offset costs in the operational budget at a level of approximately \$250,000 in the form of legal advice and general financial and administrative support.

34. FAO intends to maintain its financial contribution to the Rotterdam secretariat. FAO has biennial budgets which are asynchronous with the Rotterdam Convention budget. The FAO biennial budgets are for 2006–2007 and 2008–2009. The resources are anticipated to include the post of co-Executive Secretary (25 per cent of one D-1), one professional at the P-5 level, one at the P-3 level and 25 per cent of a General Service administrative post (giving a total of approximately \$367,155 at 2007 rates). In recognition that the continued contribution of FAO to the staff costs of the secretariat are contingent on the continued support of the FAO Conference, the Conference of the Parties at its second meeting established a contingency reserve of \$380,000 (paragraph 5 of decision RC-2/7). That part of the secretariat situated in Rome also benefits from in-kind contributions in the form of legal advice and administrative support, and also from joint activities with regional officers, which may be estimated to be in the order of \$300,000 annually.

B. Estimate for activities under the voluntary Special Trust Fund

35. The voluntary Special Trust Fund provides for the costs of travel for participants from developing countries and countries with economies in transition to meetings of the Conference of the Parties. It is also intended to provide the funds for the regional delivery of technical assistance to Parties to facilitate the implementation of the Convention.

36. The estimate for activities under the voluntary Special Trust Fund for 2007–2008 is shown in appendix III below. As noted above, a full description of the proposed programme of work for the regional and national delivery of technical assistance, along with a detailed budget, is presented in document UNEP/FAO/RC/COP.3/15. The full programme of work proposed for 2007–2008 is estimated to cost up to \$1,084,000–\$1,119,000 annually. In 2005 and 2006 the amounts included in the budget for technical assistance were \$255,000 and \$400,000. This was supplemented by a one-time contribution by FAO of \$520,000 in 2005, whereas in 2006 the Government of Switzerland provided a further \$190,000. The net result was that the actual level of expenditure for technical assistance activities in 2005–2006 was in the order of \$700,000–\$800,000 annually.

37. The Conference may wish to provide guidance to the secretariat as to the relative priorities to be assigned to funding the travel of participants from developing country Parties to the Conference of the Parties and supporting technical assistance activities, based on the funds available within the voluntary Special Trust Fund.

C. Paragraphs 20 and 21 of decision RC-1/17

38. At its first meeting, the Conference of the Parties, in paragraph 20 of decision RC-1/17, among other things requested the head(s) of the Convention to make recommendations on the future trusteeship of the Convention trust funds to the Conference of the Parties at its third meeting.

39. At its second meeting, the Conference of the Parties, in its decision RC-2/5, approved arrangements by the Executive Director of UNEP and the Director-General of FAO for the performance of the secretariat functions for the Convention. These arrangements were subsequently formalized between the two organizations with the completion of a memorandum of understanding in November 2005. In the light of the limited experience to date it was considered premature to make recommendations to the Conference of the Parties at its third meeting on the future trusteeship of the Convention trust funds and that discussion of the matter should be postponed until the fifth meeting of the Conference of the Parties, which is tentatively scheduled for 2010.

40. In paragraph 21 of the decision RC-1/17, the head(s) of the Convention secretariat were also requested to include in the proposed operational budget for the biennium 2007–2008 three alternatives based on:

- (a) His or her assessment of the required rate of growth of the operational budget;
- (b) Maintaining the operational budget at the 2005–2006 level in nominal terms;
- (c) Increasing the operational budget at the 2005–2006 level by 10 per cent in nominal terms.

In preparing the budget for the biennium 2007–2008 it was found that the estimated costs were in fact in line with the budget for the preceding biennium (3.8% increase); as a result, the preparation of the three alternative scenarios foreseen in decision RC-1/17 was not undertaken.

Appendix I

Table. Indicative operational budget under the General trust Fund for 2007–2008 (in dollars)

	2007 in \$	2008 in \$
A. Ensure effective functioning of the Conference of the Parties and its subsidiary bodies		
<i>COP4</i>		
Conference services	0	600,000
Travel, non-staff (Bureau)	50,000	50,000
Subtotal	50,000	650,000
<i>CRC3 and CRC4</i>		
Conference services	115,000	120,000
Experts' travel	75,000	80,000
Subtotal	190,000	200,000
B. Outreach and assistance to Parties in the implementation of the Convention		
Consultants (development of documentation, assistance to the Parties)	20,000	20,000
Resource kit	60,000	70,000
Website development	10,000	10,000
Subtotal	90,000	100,000
C. Coordination with secretariats of other international bodies		
Subtotal	0	0
D. Other secretariat functions as specified by the Convention and determined by COP		
Consultants/subcontracts	20,000	20,000
Printing of PIC Circular, draft decision guidance documents	30,000	30,000
Subtotal	50,000	50,000
E. Core secretariat costs		
Professional personnel ^{a/}	1,892,105	1,948,868
Consultants	30,000	30,000
Administrative support ^{a/}	333,999	344,019
Official travel	160,000	160,000
Subcontracts	75,000	75,000
Equipment and premises	70,000	70,000
Miscellaneous	48,000	48,000
Subtotal	2,609,104	2,675,887
Total activities	2,989,104	3,675,887
Administrative overheads (13%)	388,584	477,865
Subtotal activities and administrative overheads	3,377,688	4,153,752
Working capital reserve (15%) ^{b/}	0	0

		2007	2008
		in \$	in \$
Total operational budget		3,377,688	4,153,752
Host country contribution ^{c/}		1,463,415	1,463,415
Total to be covered by assessed contributions		1,914,273	2,690,337

Working Capital Reserve	\$
Working Capital Reserve (2007–2008) 15%, based on average budget 2007–2008	556,534

^{a/} This does not include direct contribution (\$367,155) provided by FAO (see paragraph 34) or the contingency reserve established by the Conference of the Parties at its second meeting (\$380,000.)

^{b/} In line with paragraph 8 of document UNEP/FAO/RC/COP.2/18, \$517,561 were transferred from the PP Trust Fund to increase the operating working capital reserve to 15%.

^{c/} Host country contribution (Italy and Switzerland each €600,000, equivalent to approximately \$1,463,415 at 1.22 \$/€).

Appendix II

Table 1: Convention secretariat staffing table

Staff category and level	Approved	FAO	UNEP	Total
	2007–2008 staffing			Actual
A. Professional category				
D-1	0.5	0.25 ^{1/}	0.25	0.50
P-5	2.0	1.0 ^{1/}	1.0	2.00
P-4 ^{1/}	4.0	2.0	2.0	4.00
P-3	5.0	2.0 ^{1/}	3.0	5.00
P-2	2.0	1.0	1.0	2.00
Subtotal	13.50	5.25	7.25	12.5
B. General Service category	5.250	2.25 ^{1/}	2.50	4.75
TOTAL (A + B)	18.75	7.5	9.75	17.25

^{1/} FAO contribution of 25 per cent of one D-1 post, one P-5 post, one P-3 post and 25 per cent of one General Service post.

Table 2: Standard salary cost for Geneva and Rome 2007–2008

	Geneva		Rome	
	2007 ^{1/}	2008 ^{2/}	2007	2008 ^{2/}
A. Professional category				
D-1 level	236,100	243,183	201,984	208,044
P-5 level	207,800	214,034	178,944	184,312
P-4 level	179,800	185,194	153,540	158,146
P-3 level	149,100	153,573	122,604	126,282
P-2 level	119,600	123,188	96,852	99,758
B. General Service category				
GS	99,000	101,970	60,444	62,257

^{1/} United Nations Standard Salary Costs for Geneva for the year 2007 (version 2).

^{2/} 2007 costs plus 3 per cent.

Appendix III

2007–2008 estimate for activities under the voluntary Special Trust Fund (RV) (in dollars)

		2007	2008
Participants' travel			
	Participants' travel, COP	0	500,000
Subtotal activities		0	500,000
Administrative overheads (13%)		0	65,000
Total		0	565,000
Facilitation of implementation and ratification			
	Technical assistance	1,084,000	1,119,000
Subtotal activities		1,084,000	1,119,000
Administrative overheads (13%)		140,920	145,470
Total		1,224,920	1,264,470
Overall total of activities under voluntary Special Trust Fund		1,224,920	1,829,470