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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
Fifth meeting**

Geneva, 20–24 June 2011

Item 7 of the provisional agenda*

**Programme of work of the Secretariat
and adoption of the budget**

**Programme of work and proposed budget for the biennium
2012-2013**

Note by the Secretariat

Introduction

1. At its fourth meeting, the Conference of the Parties to the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade adopted decision RC-4/12, on financing and budget for the triennium 2009–2011, in which, among other things, it requested the Executive Secretaries of the Convention Secretariat:

- (a) Further to enhance efficiency in the use of financial and human resources in accordance with the priorities set by the Conference of the Parties and to report on the outcome of their efforts;
- (b) To prepare a budget for the biennium 2012–2013 for consideration by the Conference of the Parties at its next ordinary meeting and to explain the key principles and assumptions on which the budget was based;
- (c) To include in the proposed operational budget for the biennium 2012–2013 three alternative funding scenarios based on:
 - (i) Their assessment of the required growth of the operational budget to finance all proposals before the Conference of the Parties that had budget implications;
 - (ii) Maintaining the operational budget at the 2009–2011 level in nominal terms;
 - (iii) Increasing the operational budget from the 2009–2011 level by 10 per cent in nominal terms;
- (d) In accordance with paragraph 20 of decision RC-1/4, to arrange for the conduct of regular audits by the United Nations Office of Internal Oversight Services and to request, when

* UNEP/FAO/RC/COP.5/1/Rev.1.

appropriate, reports from the United Nations Board of Auditors and to submit any such reports to the Conference of the Parties, together with the Secretariat's responses.

2. In response to the requests above and to assist the Conference of the Parties in its consideration of the budget issues, the Secretariat has prepared the information provided below.

I. Programme of work, staffing and budget for the biennium 2012-2013

3. In line with the programmatic structure format approved by the Conference of the Parties at its fourth meeting, which is used by the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal and the Stockholm Convention on Persistent Organic Pollutants, the programme of work of the Rotterdam Convention during the biennium 2012–2013 has been organized around two core responsibilities of the Secretariat. The first is the organization and management of meetings of the Conference of the Parties and its subsidiary bodies; the second is the performance of programme and support functions, which include a range of activities organized under three subheadings relevant to the effective implementation of the Convention and joint activities between the Basel, Rotterdam and Stockholm conventions.

4. The first core responsibility includes the preparation and conduct of the sixth regular meeting of the Conference of the Parties, the eighth and ninth regular meetings of the Chemical Review Committee and two meetings of the Bureau of the Conference of the Parties.

5. The second core responsibility includes a comprehensive range of activities to support the implementation of the Convention. These have been organized under the following subjects:

- (a) Legal support;
- (b) Delivery of technical assistance;
- (c) Outreach and public awareness;
- (d) Knowledge and information management;
- (e) Executive direction, management and strategic planning;
- (f) Office equipment and services.

6. The second main area of the proposed programme of work for the period 2012–2013, on joint activities among the three conventions, has been organized similarly, as follows:

- (a) Technical assistance:
 - (i) Development of tools to support countries in implementing the Convention;
 - (ii) Regional capacity-building programmes;
 - (iii) Support for sound chemicals and waste management at the national level;
- (b) Scientific and technical activities;
- (c) Regional centres;
- (d) Clearing-house mechanism;
- (e) Public awareness, outreach and publications;
- (f) Reporting;
- (g) Brokering service;
- (h) Overall management.

7. The joint activities were prepared by the three secretariats on the basis of proposals from inter-secretariat thematic groups that, in line with the synergies decisions, have been established to develop and implement joint activities in the areas outlined in the preceding paragraph.¹ The joint activities proposal was agreed upon by the Synergies Oversight Team, comprising the executive secretaries of the three conventions, and two representatives of the Executive Director of the

¹ Decision IX/10 of the Conference of the Parties to the Basel Convention, decision RC-4/11 of the Conference of the Parties to the Rotterdam Convention and decision SC-4/34 of the Conference of the Parties to the Stockholm Convention are known as the "synergies decisions". They are substantially identical decisions by which the conferences of the parties called for greater cooperation and coordination among the three conventions.

United Nations Environment Programme (UNEP) and the Director-General of the Food and Agriculture Organization of the United Nations, respectively. The Team approved the funding for joint activities to be included in the budget proposals for the three conventions.

8. The budget proposal for the biennium 2012–2013 with its three alternative funding scenarios, which is set out in document UNEP/FAO/RC/COP.5/24/Add.1, has been reviewed and commented on by the Office of the Executive Director as part of the established UNEP internal review process.

9. Further details on the joint activities are contained in document UNEP/FAO/RC/COP.5/25/Add.1.

10. For each of the individual elements set out in the programme of work, detailed information on the mandate, relevant objectives, indicators of achievement and performance for the programme budget and expected outputs is provided.

11. In developing the programme, the overall objective has been to provide a full programme of activities that corresponds to country needs in the implementation of the Convention. It is also consistent with the elements of the omnibus decision adopted by the conferences of the parties to the Basel, Rotterdam and Stockholm conventions at their simultaneous extraordinary meetings, held in Bali, Indonesia, from 22 to 24 February 2010. In addition, activities aimed at facilitating parties' implementation of the Convention involving a broad range of partners and facilitating regional delivery have been strengthened further and include joint activities with the secretariats of the Basel and Stockholm conventions and a range of partners at the international, regional and national levels.

12. Section A of annexes I and II describes the programmes of work under the respective scenarios. For each specific activity in the programme of work an estimate of the resources required for its implementation is provided, divided between the General Trust Fund for the Operational Budget (RO) and the voluntary Special Trust Fund (RV). The estimates cover both staff and non-staff items. The cost of staff members, the source of funding for which is the General Trust Fund, is shared between all activities undertaken jointly by staff members of the three conventions and activities specific to the Rotterdam Convention. The assignment of staff costs is based on a time allocation survey conducted during the period 2009–2010 for activities carried out in those years.

13. In developing the budget, the 2011 standard staff costs for the Geneva and Rome duty stations were applied in accordance with the United Nations budget policy and adjusted by 4 per cent to calculate the staff costs for the biennium 2012–2013, as shown in section D.

14. In comparison with the period 2010–2011, the United Nations standard salary costs for the biennium 2012–2013 are around 10 per cent higher, which is largely a result of the weakening of the United States dollar against the Swiss Franc and the euro.

15. Non-staff costs include consultants, contractual services, travel and reporting items, and operational expenses such as office maintenance costs, communications, supplies, computer equipment and other expenses.

16. The Secretariat's core activities, including the operation of meetings of the Conference of the Parties and subsidiary bodies, are funded from the General Trust Fund and from in kind contributions from FAO and UNEP. Technical assistance activities and the travel of developing-country participants to meetings of the Conference of the Parties are funded from voluntary contributions to the Special Trust Fund. Many activities draw upon resources from both funds. Section B of each scenario provides a summary of the detailed costs to be funded by the two trust funds.

17. By paragraph 5 of decision RC-4/12, the Conference of the Parties invited the governing bodies of UNEP and FAO to continue their financial support for the operation of the Convention and its Secretariat in 2009–2011.

18. The part of the Secretariat located in Geneva will continue to benefit from in kind contributions from UNEP in 2012–2013 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. These in kind contributions are greatly augmented through the implementation of the UNEP programme of work in relation to chemicals in conjunction with the Secretariat in the regions. The value of this additional in kind contribution is expected to exceed \$1 million per year in 2012 and 2013, concentrated at the regional and national levels. The Secretariat will also benefit from expanded administrative support and efficiencies through the joint services shared with the secretariats of the Basel and Stockholm conventions.

19. FAO intends to maintain its financial contributions to the Secretariat. The contributions are anticipated to include the post of Co-Executive Secretary (25 per cent of one D-1 post), one Professional post at the P-5 level, one Professional post at the P-3 level and 25 per cent of a General Service administrative post (totalling approximately \$510,000 at 2012 rates). Given that the continued contribution of FAO to the staff costs of the Secretariat is contingent upon the continued support of FAO, the Conference of the Parties established a contingency reserve by paragraph 5 of its decision RC-2/7. Provision to increase the contingency fund in the budget for 2012–2013 has been made in the amount of \$43,856, which brings the contingency fund to \$530,596 in 2013).

20. The part of the Secretariat located in Rome also benefits from annual cash contributions from the FAO Regular Programme (assessed contributions) for activities listed under the voluntary Special Trust Fund of at least \$347,000, and in kind contributions in the form of legal advice, administrative support, office space, conference facilities, and technical support from 16 FAO subregional or regional plant protection officers, which may be estimated at around \$360,000 annually, amounting to some \$700,000 per year in total.

21. The host countries' contributions to the General Trust Fund total 1.2 million euros annually from the Governments of Italy and Switzerland (600,000 euros each). A financial report with full details on the status of the General Trust Fund and the voluntary Special Trust Fund, as at 30 November 2010, may be found in the Secretariat's financial report and review of its staffing situation (UNEP/FAO/RC/COP.5/23).

22. Section C of the scenarios contains information regarding the annual contributions of parties to the Convention based on the United Nations scale of assessments for 2010–2012 adopted by General Assembly in its resolution 64/248 of 24 December 2009.

23. At its fourth meeting, the Conference of the Parties requested the Secretariat to prepare the operational budget according to three funding scenarios. Accordingly, the Secretariat has prepared the following three budget scenarios for the programme of work for 2012–2013:

(a) Executive Secretaries' assessment of the required rate of growth of the operational budget, which is set out in annex I to document UNEP/FAO/RC/COP.5/24/Add.1;

(b) Operational budget maintained at the 2010–2011 level in nominal terms, which is set out in annex II to document UNEP/FAO/RC/COP.5/24/Add.1;

(c) Operational budget increased from the 2010–2011 level by 10 per cent in nominal terms, which is set out in annex I to document UNEP/FAO/RC/COP.5/24/Add.1. As the Executive Secretaries' assessment is that the budget should increase by 9.3 per cent over the budget for 2010–2011, the same proposed budget also covers this scenario, and there is accordingly no separate proposed budget corresponding to the latter scenario.

24. A comparison of the three scenarios and their consequences for the implementation of the programme of work in 2012–2013 is set out in annex III to document UNEP/FAO/RC/COP.5/24/Add.1.

II. Executive Secretaries' assessment of the required rate of growth of the operational budget for 2012–2013

25. This scenario presents the Executive Secretaries' assessment of the operational budget under the General Trust Fund for the biennium 2012–2013 that would be necessary to finance all proposals before the Conference of the Parties.

26. The total operational budget would be \$8,638,874 for the biennium 2012–2013, a 9.3 per cent increase over the budget adopted for the triennium 2009–2011.

27. The estimated cost under this scenario for activities funded from the voluntary Special Trust Fund for the biennium 2012–2013 is \$5,105,114, a 16.5 per cent increase over the estimated cost of such activities for the triennium 2009–2011 taken note of by the Conference of the Parties at its fourth meeting.

28. The delivery of this programme of work, including the new Rotterdam Convention-specific and joint activities of the three conventions, will not require any changes to the current staffing level.

III. Operational budget maintained at the 2009–2011 level in nominal terms

29. This scenario sets out an option for maintaining the operational budget for the biennium 2012–2013 at the same level in nominal terms as the budget adopted by the Conference of the Parties for the triennium 2009–2011.
30. The total operational budget would amount to \$7,960,233 for the biennium 2012–2013, a 0.7 per cent increase over the budget adopted for the triennium 2009–2011.
31. The estimated cost under this scenario for activities funded from the voluntary Special Trust Fund for the biennium 2012–2013 is \$4,890,414, an 11.6 per cent increase over the estimated cost of such activities for the triennium 2009–2011 taken note of by the Conference of the Parties at its fourth meeting.
32. The implication of this scenario for the Secretariat would be to render it unable to continue its activities related to the continued development and updating of publications as part of the resource kit, the organizing of in-person Bureau meetings and the translation, printing and distribution of decision guidance documents. More information on these implications is provided in annex III to document UNEP/FAO/RC/COP.5/24/Add.1.
33. The delivery of this programme of work, which encompasses the new Rotterdam Convention-specific and joint activities of the three conventions, will eliminate the above-mentioned activities, including the staff cost of 1.5 General Service positions, including 25 per cent of each of two Secretary positions (one each at FAO and UNEP), and all other related non-staff costs under both the General Trust Fund and the voluntary Special Trust Fund.

IV. Operational budget increased from the 2009–2011 level by 10 per cent in nominal terms

34. This scenario sets out an option for increasing the operational budget for the biennium 2012–2013 by 10 per cent in nominal terms over the budget adopted by the Conference of the Parties for the triennium 2009–2011.
35. The total operational budget would be at the same level as described under the first scenario, the Executive Secretaries' assessment of the required growth of the operational budget for 2012–2013, representing a 9.3 per cent increase over the budget adopted for the triennium 2009–2011.
36. The estimated cost for activities funded from the voluntary Special Trust Fund for the biennium 2012–2013 is at the same level as described in paragraph 27 and represents a 16.5 per cent increase over the estimated cost of activities under the Special Trust Fund for the triennium 2009–2011 taken note of by the Conference of the Parties at its fourth meeting.
37. The delivery of this programme of work, including the new Rotterdam Convention-specific and joint activities of the three conventions, will not require any changes to the current staffing level.

V. Further enhanced efficiency in the use of financial and human resources

38. In line with the synergies decisions, efforts have been made during 2010 to enhance efficiency in the use of financial and human resources by increasing cooperation and coordination between the secretariats of the Basel, Rotterdam and Stockholm conventions. The Secretariat has derived efficiency benefits from such cooperation and coordination in the implementation of its technical assistance and capacity-building programmes and activities, and through support for such activities provided by the Joint Convention Services Section.

VI. Conduct of regular audits

39. During the biennium 2008–2009, the United Nations Board of Auditors undertook an audit to examine the relationship between UNEP and the multilateral environmental agreements, which required a visit in November 2009 to the secretariats of the conventions located in Geneva, including those of the Basel, Rotterdam and Stockholm conventions.
40. The outcome of that audit is included in the Board of Auditors' report for UNEP for the biennium 2008–2009 (partly reported in document A/65/5/Add.6).

41. The Co-Executive Secretary of the Convention Secretariat (UNEP part) has requested UNEP to include in the United Nations Office of Internal Oversight Service workplan for 2010 an audit of the strategic management of the multilateral environmental agreements for which UNEP provides secretariat, functions including administrative arrangements, governance, accountability and oversight. Further details on the requested audit are included in document UNEP/FAO/RC/COP.5/25/Add.5.

Possible action by the Conference of the Parties

42. The Conference of the Parties may wish:

(a) To approve the programme of activities and operational budget for the biennium 2012-2013;

(b) To authorize the Executive Secretaries of the Convention Secretariat to make commitments up to the approved operational budget, drawing upon available cash resources;

(c) To authorize the Executive Secretaries of the Convention Secretariat to make transfers up to 20 per cent from one main appropriation line of the approved budget to other main appropriation lines;

(d) To welcome the annual contribution of 1.2 million euros pledged by the host Governments of the Convention Secretariat to offset planned expenditures;

(e) To approve the staffing levels for the Secretariat for the biennium 2012–2013;

(f) To adopt an indicative scale of assessment for the apportionment of expenses for the biennium 2012–2013 and to authorize the Executive Secretaries of the Convention Secretariat, consistent with the Financial Regulations and Rules of the United Nations, to adjust the scale to include all parties for which the Convention enters into force before 1 January 2012 for 2012 and before 1 January 2013 for 2013;

(g) To reiterate to parties that contributions to the operational budget for a given calendar year are expected to be paid on 1 January of that year and to urge them to pay their contributions promptly and in full;

(h) To take note of the funding estimates included for activities under the Convention to be financed from the Convention's Special Trust Fund and to urge parties and invite non-parties, along with others, to contribute to that Fund;

(i) To request the Executive Director of the United Nations Environment Programme to extend the two trust funds of the Convention until 31 December 2013, subject to the approval of the Governing Council of the United Nations Environment Programme;

(j) To request the Executive Secretaries of the Convention Secretariat to prepare a budget for the biennium 2014–2015 for consideration by the Conference of the Parties at its sixth ordinary meeting.