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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**

First meeting

Geneva, 20–24 September 2004

Item 10 of the provisional agenda\*

**Activities of the secretariat and adoption of a budget**

## **Activities of the secretariat and adoption of a budget**

### **Note by the secretariat**

#### **Introduction**

1. Except as otherwise noted or where apparent from the context, the present report covers the period from 1 May 2003 to 30 April 2004.
2. With the entry into force of the Convention on 24 February 2004, the interim secretariat became the secretariat established under article 19 of the Convention with the functions described in that article. In addition it will continue to service the operation of the interim prior informed consent (PIC) procedure, as described in resolution 1 on interim arrangements adopted by the Conference of Plenipotentiaries on the Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemical and Pesticides in International Trade, Rotterdam, 10-11 September 1998 (UNEP/FAO/PIC/CONF/5), until that procedure has been discontinued by the Conference of the Parties, subject to such modalities as decided by the Conference.

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

## **I. Implementation of the interim PIC procedure and the provisions of the Convention**

### **A. Designated national authorities**

3. During the reporting period, the secretariat received two nominations of a new designated national authority from a State not yet participating in the interim PIC procedure, nine nominations of additional designated national authorities and 60 changes of existing designated national authorities. As of 30 April 2004, a total of 169 States and one regional economic integration organization had nominated a total of 265 designated national authorities for participation in the interim PIC procedure.

4. Under article 4, paragraph 3, of the Convention, each Party shall, no later than the day of entry into force of this Convention for it, notify the name of its designated national authorities to the secretariat and the secretariat shall inform the Parties of the notifications it receives under paragraph 3. Accordingly, the secretariat sent a note to all Parties to the convention reminding them of this obligation. Notifications received will be made available to the Conference in document UNEP/FAO/RC/COP.1/INF/2 and circulated in the PIC Circular.

### **B. Decision guidance documents for chemicals subject to the interim PIC procedure**

5. At its tenth session, in its decisions INC-10/2, INC-10/3 and INC-10/4, the Committee decided to make the following chemicals subject to the interim PIC procedure and approved the decision guidance documents for those chemicals:

- (a) Asbestos: actinolite, anthophyllite, amosite and tremolite;
- (b) DNOC and its salts; and
- (c) Severely hazardous pesticide formulations of dustable powder containing a combination of benomyl at or above 7 per cent, carbofuran at or above 10 per cent and thiram at or above 15 per cent.

6. In line with article 7 of the Convention, the decision guidance documents were circulated to all designated national authorities by the secretariat on 1 February 2004.

### **C. Notifications of final regulatory actions to ban and severely restrict a chemical and proposals for inclusion of severely hazardous pesticide formulations**

7. In line with paragraph 3 of article 5 of the Convention, the secretariat must circulate summaries of notifications of final regulatory action received which the secretariat has verified as containing the information required under annex I to the Convention. Under paragraph 4 of article 5 of the Convention, the secretariat must circulate a synopsis of the notifications of final regulatory action received, including information regarding those notifications that do not contain all the information required under annex I to the Convention.

8. During the reporting period, the secretariat received a total of 200 notifications of final regulatory action from 12 Parties. Those notifications either have been verified and synopses circulated to Parties in appendix I of PIC Circulars XVIII and XIX, or are still under verification.

9. Under paragraph 2 of article 5, each Party shall, at the date of entry into force of this Convention for it, notify the secretariat in writing of its final regulatory actions in effect at that time, except that each Party that has submitted notifications of final regulatory actions under the Amended London Guidelines or the International Code of Conduct need not resubmit those notifications. Accordingly, the secretariat sent a note to all Parties to the convention reminding them of this obligation. Information on the notifications received will be made available to the Conference in document UNEP/FAO/RC/COP.1/INF/3 and circulated in the PIC Circular.

## **D. Responses regarding future imports of chemicals**

10. In line with paragraph 2 of article 10 of the Convention, each Party must transmit to the secretariat, as soon as possible, and in any event no later than nine months after the date of dispatch of a decision guidance document, a response regarding future import of the chemical concerned.

11. In line with paragraph 3 of article 10, the secretariat must, at the expiration of the time period given in paragraph 2 of the article, forthwith address to a Party that has not provided such a response a written request to do so, through its designated national authority. Listing in the PIC Circular of such cases of failure to transmit a response represents the written request by the secretariat to provide such a response.

12. In line with paragraph 10 of article 10, every six months the secretariat must inform Parties of the responses that it has received. Such information must include a description of the legislative or administrative measures on which the decisions have been based, where available. The secretariat must also inform the Parties of any cases of failure to transmit a response.

13. During the reporting period, the secretariat received 149 responses regarding future import, from 15 Parties, for chemicals and pesticides currently included in the interim PIC procedure. Those responses, together with all the previously submitted responses and information on all cases of failure to provide a response, were circulated to Parties in appendix IV of PIC Circulars XVIII and XIX.

14. Under paragraph 7 of article 10, each Party shall, at the date of entry into force of this Convention for it, transmit to the secretariat responses with respect to each chemical listed in Annex III. A Party that has provided such responses under the Amended London Guidelines or the International Code of Conduct need not resubmit those responses. Accordingly, the secretariat sent a note to all Parties to the convention reminding them of this obligation. Information on the responses received will be made available to the Conference in document UNEP/FAO/RC/COP.1/INF/4 and circulated in the PIC Circular.

## **E. PIC Circular**

15. Every six months, in June and December, the secretariat publishes the PIC Circular. The purpose of the circular is to provide all Parties, through their designated national authorities, with the information which the secretariat is required to circulate under the interim PIC procedure pursuant to articles 4, 5, 6, 7, 10 and 14 of the Convention.

16. During the reporting period, the secretariat published PIC Circular XVIII, in December 2003, and PIC Circular XIX, in June 2004.

## **F. Queries and requests for information**

17. During the reporting period, the secretariat received and responded to a total of 242 queries and requests for information related to the implementation of the interim PIC procedure and the entry into force of the Convention.

## **II. Support for the Intergovernmental Negotiating Committee**

18. The tenth session of the Intergovernmental Negotiating Committee was held in Geneva, Switzerland from 17 to 21 November 2003. It was attended by more than 255 delegates, representing over 100 Governments, intergovernmental organizations, non-governmental organizations and United Nations agencies. The report of the session may be found in document UNEP/FAO/PIC/INC.10/24.

19. The Committee adopted the staffing level and budget for 2004 as submitted by the secretariat. It also decided to include five chemicals and one severely hazardous pesticide formulation in the interim PIC procedure and adopted the respective decision guidance documents. In preparing for the first meeting of the Conference of the Parties, it agreed to forward the draft rules of procedure and the draft financial rules and

provisions to the Conference. It also agreed to forward draft rules of arbitration and conciliation, as well as draft rules on non-compliance to the Conference. The Committee also addressed issues related to technical assistance and requested the secretariat to conduct a study on the capacity-building and technical needs of countries in relation to the Rotterdam Convention.

20. The Committee also decided to convene its eleventh session in the form of a conference of plenipotentiaries immediately before the first meeting of the Conference of the Parties for the purpose of deciding whether to include chrysotile asbestos, tetraethyl and tetramethyl lead and parathion in the interim PIC procedure.

### **III. Support for the Interim Chemical Review Committee**

21. The fifth session of the Interim Chemical Review Committee was held in Geneva, Switzerland, from 2 to 6 February 2004. It was attended by 25 of the 29 nominated experts and by observers from Governments, intergovernmental organizations and non-governmental organizations.

22. The Interim Chemical Review Committee decided to recommend to the Intergovernmental Negotiating Committee that tetraethyl lead, tetramethyl lead and parathion should be included under the interim PIC procedure and that their draft decision guidance documents should be adopted.

### **IV. Facilitation of implementation and ratification**

23. In response to requests for training in the implementation of the PIC procedure, a workshop curriculum has been developed that provides practical training on the operational elements of the procedure. The agenda for the workshop also provides opportunities for countries to share their experience in the implementing the interim PIC procedure and in working towards ratification of the Rotterdam Convention. In addition, countries are encouraged to identify opportunities for improved cooperation in the implementation of the PIC procedure at the national and subregional levels. The modified workshop format provides direct feedback to the secretariat on the documents and processes developed to facilitate the implementation of the interim PIC procedure.

24. During the reporting period, the secretariat has organized workshops using the modified workshop format in the southwest Pacific region (Apia, Samoa, 22–26 September 2003), Latin America and the Caribbean region (Panama City, Panama, 6–10 October 2003), and the Asian region (Beijing, China, 8–12 March 2004). These workshops were well attended and the reports of the participants indicated that they had provided both useful training and opportunities to develop relationships with other designated national authorities within the region.

25. During the reporting period, the secretariat has also participated in workshops on the coordinated implementation of the Rotterdam, Stockholm and Basel conventions, organized by the Geneva Environment Network, in Africa (Pretoria, South Africa, 17–19 September 2003), Latin America and the Caribbean (Montevideo, Uruguay, 28–30 January 2004) and Eastern Europe (Riga, Latvia, 6–8 April 2004). These workshops have provided an opportunity to consider opportunities for cooperation and coordination both at the national and regional level. Participants indicated that, as well as providing useful information, the workshops helped them in developing contacts within the region which would facilitate cooperation.

26. The secretariat participated in subregional workshops in Asia (Colombo, Sri Lanka, 12–17 September 2003) and the Balkans (Belgrade, Serbia and Montenegro, 26–29 January 2004) organized by the United Nations Environment Programme (UNEP) in order to assess the draft manual on the UNEP guidelines on compliance with and enforcement of multilateral environmental agreements. These workshops provided the secretariat with an opportunity to consider issues related to compliance with and enforcement of the Rotterdam Convention with participating countries. The workshops were also useful in the exchange of information on issues related to compliance and enforcement with other multilateral environmental agreements. The participation of the secretariat was appreciated by participants and organizers.

27. After a period following the tenth session of the Intergovernmental Negotiating Committee set aside for the receipt of comments, the secretariat has finalized the first version of the guidance to designated national authorities, which is now available. Also pursuant to a request from the Intergovernmental Negotiating Committee, the secretariat has conducted a study on technical assistance needs, the results of which were made available to the Intergovernmental Negotiating Committee at its eleventh session.

## V. Entry into force of the Convention

28. Shortly after the entry into force of the Convention on 24 February 2004, the secretariat circulated a note to all Parties drawing their attention to the obligations in the Convention that are linked to that date, namely:

- (a) Under article 4: to nominate a designated national authority and notify the secretariat;
- (b) Under article 5: to notify the secretariat of its final regulatory actions in effect at that time, except if such notifications have already been submitted to the secretariat; and
- (c) Under article 10: to transmit to the secretariat responses with respect to each chemical listed in Annex III, unless such responses have already been submitted to the secretariat.

29. Reports on the nominations received under article 4 will be available in document UNEP/FAO/RC/COP.1/INF/2, on notifications received under article 5 in document UNEP/FAO/RC/COP.1/INF/3, and responses received under article 10 in document UNEP/FAO/RC/COP.1/INF/4.

30. The Secretariat would like to underline that nominations of designated national authorities made under the interim PIC procedure or earlier under the original voluntary procedure are not carried over and new nominations have to be made.

31. In April 2004, the secretariat circulated a note to all non-parties to the Convention drawing their attention to the 90-day rule in paragraph 2 of article 26, which provides that the Convention enters into force on the ninetieth day after the date of deposit of the instrument of ratification, accession or approval. Thus, in order to participate fully as a Party in the first meeting of the Conference of the Parties, such instruments must be deposited no later than 22 June 2004.

## VI. Financial reports, staffing and budget

32. Pledges and contributions to the trust fund established by the Executive Director of UNEP are shown in annex I. These were \$1,809,461 in 2003 and \$1,645,555 in 2004 as at 31 May 2004. The table also lists contributions for 2003 and 2004 from the Environment Fund of UNEP and the regular programme of the Food and Agriculture Organization of the United Nations (FAO), as well as the balance transferred from 2002 and the interest accrued for 2003–2004.

33. An update on additional pledges and contributions received after 31 May 2004 and an overview of expenditures and the cash-flow situation will be provided at the first meeting of the Conference of the Parties.

34. Expenditures from the trust fund for 2003 amount to \$2,308,724. Those expenditures are summarized in annex II to the present note, which also lists the contributions from UNEP and FAO, the balance transferred from 2002 and the interest accrued. The secretariat was able to carry forward \$1,253,727 from 2003 to 2004. In order to maintain uninterrupted secretariat support to ensure that meetings can be held on schedule, the secretariat must maintain a balance in trust fund accounts of approximately \$650,000 at the end of each year (depending on the dollar exchange rate). Those funds are necessary to fund meetings of the Chemical Review Committee and to guarantee funding for staff on trust-funded posts.

35. The expenditure for 2004 up to 30 June 2004, together with a projection of expenditure up to the end of the year, is included in annex III to the present note. A cash balance statement is also provided, in annex IV to the present note.

36. At its tenth session, the Intergovernmental Negotiating Committee approved a budget of \$3,392,175 and the staffing level for 2004.

37. Tables showing the staffing situation and the standard staff cost are provided in annex V to the present note.

38. A draft budget for 2005, in the format approved by the Intergovernmental Negotiating Committee, is presented in annex VI. This budget is based on the following conditions and activities:

- (a) Continued operation of the secretariat at its present locations in Geneva and Rome;
- (b) Staff level as provided in Annex V;
- (c) One meeting of the Conference of the Parties in Rome, including support for participants travels;
- (d) One meeting of the Chemical Review Committee in Geneva (English only), including support for participant travel;
- (e) Performance of the secretariat functions specified in the Convention, including:
  - (i) Technical assistance – in accordance with the decision of the Conference of the Parties;
  - (ii) Technical guidance documents;
  - (iii) Production of the PIC Circular, noting that, if the Conference of the Parties decides to move to publication of the circulars on CD-ROM, production and postage costs may be decreased accordingly.

39. During the negotiations of the Convention and its interim operation, both FAO and UNEP have provided both financial and in-kind support.

40. In its decision SS.V/5 of 22 May 1998, the UNEP Governing Council authorized “the participation of the secretariat of the United Nations Environment Programme in an interim secretariat and in a secretariat to the Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, if so decided by the Conference of Plenipotentiaries on the Convention, to be held in Rotterdam later in 1998, provided that such arrangements are satisfactory to the Executive Director and that costs additional to the implementation of the present voluntary procedure be met through extrabudgetary resources”.

41. At its twenty-ninth session, in November 1997, the FAO Conference “authorized the participation of the FAO Secretariat in an interim secretariat and in a secretariat to the Convention if so decided during the negotiations and adopted by the Diplomatic Conference, provided that such arrangements were satisfactory to the Director-General and that costs additional to the implementation of the present voluntary procedure be met through extrabudgetary resources.”

42. On the basis of the above decisions, both UNEP and FAO might be expected to continue their financial support at the same level as the implementation of the voluntary PIC procedure. The cost to UNEP and FAO of implementing the voluntary PIC procedure was estimated in 1995 to be \$1,193,000 per biennium (UNEP/FAO/PIC/INC.1/4).

## **VII. Suggested action by the Conference of the Parties**

43. At its first session, the Conference may wish to approve the budget and staffing level for 2005, as set out in annexes V and VI to the present note.

## Annex I

### Income for the calendar year 2003 and for 2004 as at 30 June 2004 in US dollars

UNEP Trust Fund	Year 2003	Year 2004
Australia	18,653	-
Austria	17,780	-
Belgium	120,205	-
Canada	16,816	37,212
European Commission	127,220	124,440
Finland	8,724	-
Germany	141,587	74,567
Netherlands	219,242	-
Norway	35,128	50,806
Sweden	31,506	-
Switzerland	400,000	580,000
United Kingdom	172,600	178,530
United States of America	500,000	600,000
Interest accrued 2003	89,877	-
Interest from prior years (not previously reported)	461,582	
<b>Total</b>	<b>2,360,920</b>	<b>1,645,555</b>

#### Other contributions and transfers:

Environment Fund of UNEP	264,121	110,927
Regular programme of FAO	299,035	233,161
Balance transferred from prior years	1,201,531	1,253,727
Total other contributions and transfers	1,764,687	1,597,814
<b>Total</b>	<b>4,125,607</b>	<b>3,243,369</b>



## Annex II

### 2003 expenditures

	Budget approved by the Committee at its eighth session	PP Trust Fund	UNEP Environment Fund	FAO regular programme funds	Total
<b>Ensure effective functioning of the INC</b>					
<i>INC10 in Geneva</i>					
Conference Services		490,788			490,788
Participants travels		222,251			222,251
Subtotal	625,000	713,039	0	0	713,039
<i>ICRC4 in Rome</i>					
Conference Services		74,442			74,442
Participants travels		75,320			75,320
Subtotal	145,000	149,762	0	0	149,762
<b>Facilitation of implementation and ratification</b>					
Workshops		164,261			164,261
Printed material					0
Website					0
Subtotal	0	164,261			164,261
<b>Office automation and databases</b>					
Software		5,280			5,280
Hardware		15,288			15,288
Consultants/sub-contracts		52,532			52,532
Subtotal	40,000	73,100			73,100
<b>Core secretariat costs</b>					
Project personnel		512,820	117,366	<b>257,934</b>	888,120
Consultants		99,182		<b>0</b>	99,182
Administrative support		95,599	118,581	<b>21,049</b>	235,229
Official travel		126,491	14,238	<b>16,395</b>	157,124
Equipment and premises		0	9,936	<b>0</b>	9,936
Miscellaneous		108,865	4,000	<b>3,657</b>	116,522
Subtotal	1,355,132	942,957	264,121	<b>299,035</b>	1,506,113
<b>Total</b>	<b>2,165,132</b>	<b>2,043,119</b>	<b>264,121</b>	<b>299,035</b>	<b>2,606,275</b>
Administrative overheads (13%)	281,467	265,605	n.a	n.a	265,605
<b>Total</b>	<b>2,446,599</b>	<b>2,308,724</b>	<b>264,121</b>	<b>299,035</b>	<b>2,871,880</b>

<sup>1</sup> At its ninth session the Committee authorized the secretariat to arrange workshops in 2003, subject to availability of additional resources. Ref. paragraph 42 of UNEP/FAO/PIC/INC.9/21

<sup>2</sup> Difference from the INC8 approved budget is generally accounted for by a decrease in the Swiss franc/US\$ rate. The approved budget was based on an exchange rate of CHF/US\$ 1.78 and EUR/US\$ 1.167. The average exchange rate during 2003 was CHF/US\$1.35 and EUR/US\$ 0.885.

## Annex III

### 2004 expenditures and projected expenditures to end of the year

		<b>Budget as approved by the Committee at its 10th session</b>	<b>Expenditures up to end June 2004</b>	<b>Projected expenditures up to end Dec. 2004</b>	<b>Total expenditures and projected expenditures</b>
<b>Ensure effective functioning of the INC</b>					
	<i>COPI</i> <sup>1/</sup>				
	Conference Services	375,000	378,891		
	Participants travels	205,000	-	205,000	
	Subtotal	580,000	378,891	205,000	583,891
	<i>ICRC5 in Geneva</i> <sup>2/</sup>				
	Conference Services	85,000	119,597	-	
	Participants travels	75,000	66,838	-	
	Subtotal	160,000	186,435	-	186,435
	<i>INC-II in Geneva</i> <sup>3/</sup>				
	Conference Services	90,000	104,256	-	
	Participants travel	35,000	-	35,000	
	Subtotal	125,000	104,256	35,000	139,256
<b>Facilitation of implementation and ratification</b>					
	Workshops	100,000	81,939	45,000	
	Printed material	35,000	1,219	10,000	
	Study on technical assistance needs	75,000	-	75,000	
	Website	10,000	1,219	10,000	
	Subtotal	220,000	84,377	140,000	224,377
<b>Office automation and databases</b>					
	Software		1,729	-	
	Hardware	40,000	-	18,000	
	Consultants/sub-contracts	0	27,000	2,000	
	Subtotal	40,000	28,729	20,000	48,729

<b>Core secretariat costs</b>					
	Project Personnel	1,321,850	543,391	225,117	
	Consultants	45,000	43,859	64,000	
	Administrative support	390,075	181,080	193,107	
	Official travel	100,000	76,608	52,000	
	Equipment and premises	5,000	2,259	16,000	
	Miscellaneous	15,000	33,471	90,000	
	Subtotal	1,876,925	880,668	640,224	1,520,892
Total		3,001,925	1,559,100	1,005,224	2,564,324
Administrative overheads (13%)		390,250	157,983	232,151	232,151
<b>Total</b>		<b>3,392,175</b>	<b>1,717,083</b>	<b>1,079,392</b>	<b>2,796,475</b>

<sup>1</sup> To be funded by Switzerland

<sup>2</sup> To be funded by Switzerland

<sup>3</sup> To be funded by Germany

**Annex IV****Cash balance**

	<b>2003</b>	<b>2004</b>
<b>Income</b>	4,125,607	3,243,364
<b>Expenditures</b>	2,871,880	1,717,083
<b>Projections</b>	0	1,079,392
<b>End of year balance</b>	1,253,727	446,889

\* Carried forward into 2004 and included as income (see annex I).

## Annex V

### Interim secretariat staffing situation as of 30 June 2004

**Table 1: Programme staff**

Staff category and level		2003	2004	2004	2005
		actual	actual	budget	budget <sup>1</sup>
A.	Professional category				
	D-1	0.5	0.5	0.5	0.5
	P-5	2.0	2.0	2.0	2.0
	P-4	1.0	1.0	2.0	4.0
	P-3	2.0	2.0	4.0	3.0
	P-2	1.0	1.0	2.0	2.0
	<b>Subtotal</b>	<b>6.5</b>	<b>6.5</b>	<b>10.5</b>	<b>11.5</b>
B.	General Service category	3.0	3.0	5.3	5.3
	<b>Total (A + B)</b>	<b>9.5</b>	<b>9.5</b>	<b>15.8</b>	<b>16.8</b>

<sup>1</sup> One finance officer funded from programme support costs

**Table 2: Standard staff costs**

Staff category and level		2003	2004	2005
		*	**	**
A.	Professional category			
	D-1	151,500	200,000	200,000
	P-5	142,500	173,600	173,600
	P-4	124,600	150,200	150,200
	P-3	104,700	124,200	124,200
	P-2	82,300	96,200	96,200
B.	General Service category	72,700	90,500	90,500

\* 2003 United Nations standard salary costs version 06

\*\* 2004–2005 United Nations standard salary costs version 12

## Annex VI

### Draft budget for 2005: ensuring effective functioning of the Conference of the Parties and the Chemical Review Committee\*

	<i>COP2 (Rome)</i>	
	Conference services	435,536
	Participants' travel (80 participants)	352,039
	Subtotal	787,575
	<i>CRCI (Geneva)</i>	
	Conference services	110,372
	Participants' travel (20 participants)	85,630
	Subtotal	196,002
<b>Facilitation of implementation and ratification</b>		
	Technical assistance (core activities, COP.1/28)	255,000
	Printed material	43,000
	Website	10,000
	Subtotal	308,000
<b>Office automation and databases</b>		
	Software and hardware	75,000
	Consultants/sub-contracts	20,000
	Subtotal	95,000
<b>Core secretariat costs</b>		
	Project personnel	1,462,800
	Consultants	25,000
	Administrative support	475,125
	Official travel	100,000
	Equipment and premises	40,000
	Miscellaneous	47,000
	Subtotal	2,149,925
Total		3,536,502
Administrative overheads (13%)		459,745
<b>Total</b>		<b>3,996,247</b>

\* The costing of these meetings are without prejudice to the decisions by the Conference of the Parties at its first meeting regarding the location of the secretariat and the venue of the meetings.