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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
Second meeting
Rome, 27–30 September 2005
Item 9 of the provisional agenda***

Programme of work and reconsideration of the indicative 2006 budget

Programme of work and budget for 2006

Note by the secretariat

1. At its first meeting, the Conference of the Parties, in decision RC-1/17, on financing and budget for the biennium 2005–2006, approved an indicative operational budget of \$3,542,159 for 2006. This budget was for the purposes set out in table 1 to the decision. It also decided that the indicative figure for 2006 would be reconsidered at the second meeting of the Conference of the Parties on the basis of recommendations made by the head(s) of the Convention secretariat. The Conference of the Parties also approved the staffing table of the Convention secretariat for the operational budget for 2005 and indicative staffing table for 2006.
2. Annexed to the present note is a detailed proposal for the programme of work and budget for 2006.
3. The Conference of the Parties may wish:
 - (a) To agree to the programme of work;
 - (b) To confirm the operational budget and staffing table for 2006;
 - (c) To provide guidance to the secretariat on the respective priorities of participants' travel and technical assistance in allocating funding from the voluntary Special Trust Fund.

* UNEP/FAO/RC/COP.2/1.

Annex

Programme of work and budget for 2006

Introduction

1. The present report provides for the reconsideration of the indicative operational budget for 2006 approved by the Conference of the Parties in decision RC-1/17. It comprises two chapters: chapter I, on the programme of work for 2006, is largely structured in accordance with the functions of the secretariat as defined in paragraph 2 of article 19 of the Convention. Chapter II, on the budget for 2006, is structured in such a way as to reflect the relevant paragraphs of decision RC-1/17.

2. For ease of reference, the budget tables appended to this report are presented in the same format as in decision RC-1/17.

I. Programme of work for 2006

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

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

1. Third meeting of the Conference of the Parties

4. Subject to rule 3 of the rules of procedure, the meetings of the Conference of the Parties shall 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.

5. Unless otherwise decided by the Conference of the Parties, the third meeting of the Conference of the Parties will take place in Geneva from 7 to 13 October 2006.

6. Based on the costs of the first meeting of the Conference of the Parties, held in Geneva from 20 to 24 September 2004, the revised estimate of the costs of conference services for the third meeting of the conference of the Parties is \$600,000 (as set out in the table in appendix I below). The increase is due to the increased costs of the provision of security, some increases in conference services costs and the fluctuation of the United States dollar.

7. Secretariat services associated with the third meeting of the Conference of the Parties are included in the core secretariat costs (professional personnel and administrative support, as set out in the table in appendix I below).

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

2. Second meeting 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. Pursuant to rule 29 of the rules of procedure, the Conference of Parties shall 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 first meeting, held in Geneva from 11 to 18 February 2005, the Chemical Review Committee decided, subject to approval by the Conference of the Parties at its second meeting, to meet again in early 2006. A preliminary reservation has been made for 13–17 February 2006 in Geneva.

12. Based on the costs of the first meeting of the Committee, the costs of conference services for the second meeting of the Committee, to be held in Geneva, are estimated at \$115,000 (as set out in the table in appendix I below).

13. Secretariat services associated with the Committee's second session are part of the core secretariat costs (professional personnel and administrative support, as set out in the table in appendix I).

14. The cost of participants' travel to the Committee's second session will be met from the General Trust Fund (see the table in appendix I). Based on the first session of the Committee, these costs are estimated at \$90,000.

B. Assistance to Parties in the implementation of the Convention

15. At its first meeting, in decision RC-1/14, on the regional delivery of technical assistance, the Conference of the Parties requested the secretariat to prepare a detailed costed programme of activities based on the elements in the annex to that decision, identified gaps in the light of experience and further developments in the international context for consideration by the Conference of the Parties at its second meeting. A full description of a proposed programme for the regional delivery of technical assistance along with a detailed budget for those activities is presented in document UNEP/FAO/RC/COP.2/12.

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.

17. Assistance to Parties in evaluating chemicals, pursuant to article 10, paragraph 4 (b) (iv), is an integral part of the work of the secretariat, although this facility has not as yet been used by Parties.

18. The secretariat services associated with the various aspects of technical assistance are part of the core secretariat costs (as set out in the table in appendix I below). Non-staff operational costs are provided from the voluntary Special Trust Fund (see appendix III below).

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, secretariats of the following bodies: Stockholm Convention; Basel Convention; Vienna Convention and its Montreal Protocol on Substances that Deplete the Ozone Layer; the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES); World Customs Organization (WCO); and the World Trade Organization (WTO) Committee on Trade and Environment. This cooperation is expected to continue in 2006, subject to guidance received from the Conference of the Parties, and adjusted according to the work of the secretariat.

20. In paragraph 3 of decision SC-1/18, on enhancing synergies within the chemicals and waste cluster, the Conference of the Parties to the Stockholm Convention was requested to work with the secretariat of the Basel Convention and the secretariat of the Rotterdam Convention on a study on how cooperation among these secretariats could be improved. Should the Conference agree to the participation of the Rotterdam secretariat in this study, costs along with those incurred in coordination with other secretariats will be included as part of the core secretariat costs (as set out in the table in appendix I below).

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.2/4), 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 forward them to the Chemical Review Committee (article 5);

- (c) Processing proposals for the listing of 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 in Annex III (article 13);
- (h) Facilitating information exchange among Parties (article 14); and
- (i) Communicating proposed amendments to the Convention (articles 21 and 22).

22. Tasks (a)–(f) represent the main responsibilities of the secretariat. They involve actions for which specific time-lines are set out 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 twice yearly. The PIC Circular is the main medium for communicating information essential to the implementation of the PIC procedure to parties.

23. 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 for the operation of the Chemical Review Committee.

24. Working with WCO (item (g)) involves the secretariat both in maintaining regular communications, including by participating 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 will also include discussions with WCO on opportunities to integrate relevant information on the Rotterdam Convention into existing activities for the training of customs officials.

25. Other key activities of the secretariat that facilitate the implementation of the Convention include the provision of information and information exchange (item (h)). 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 follow-up with participants of regional and national workshops.

26. Proposed amendments to the Convention (item (j)) are carried out through the Treaty Section of the United Nations Office of Legal Affairs. No amendments will need to be communicated in 2006.

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

28. In addition, the Conference of the Parties at its first meeting requested the secretariat to undertake the following additional functions, which will have an impact on the work of the secretariat in 2006:

- (a) Prepare and circulate a budget, acknowledge receipt of contributions and provide financial reports and statements. (decision RC-1/4);
- (b) Arrange for the termination of the transition period (decision RC-1/13); and
- (c) Organize regional delivery of technical assistance (decision RC-1/14) (see section B above, on assistance to Parties in the implementation of the Convention).

29. These activities are expected to continue in 2006, subject to guidance received from the Conference of the Parties, and adjusted according to the work of the secretariat. The costs of those functions are part of the core secretariat costs (as set out in the table in appendix I, under professional personnel and administrative support).

30. Other activities of the secretariat that may be determined by the Conference of the Parties at its second meeting in September 2005 may have an impact on the budget for 2006.

II. Operational budget for 2006

31. This chapter is structured to reflect paragraphs 3, 7, 9, 15 and 16 of decision RC-1/17 relevant to the adoption of the operational budget and staffing table for 2006.

A. Estimate for activities under the General Trust Fund

32. In paragraph 2 of its decision RC-1/17, on financing and budget for the biennium 2005–2006, the Conference of the Parties approved an indicative operational budget for 2006 and decided, in paragraph 3 of that decision, that the indicative figure for 2006 would be reconsidered at its second meeting on the basis of recommendations made by the head(s) of the Convention secretariat.

33. The indicative operational budget as approved by the Conference of the Parties at its first meeting, and a revised operational budget may be found in appendix I. The indicative budget was revised to reflect new standard staff costs and revised estimates for the third meeting of the Conference of the Parties and the second meeting of the Chemical Review Committee.

34. The secretariat staffing table approved by the Conference of the Parties at its first meeting, amended to reflect the projected staffing situation, may be found in appendix II below.

35. 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 2005 and 2006.

36. The secretariat situated in Geneva will continue to benefit from in-kind contributions from UNEP in 2006 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.

37. FAO intends to maintain its financial contribution to the Rotterdam secretariat. These resources are anticipated to include the post of co-Executive Secretary (25 per cent of one D1), on professional at the P-5 level, one at the P-3 level and a general service staff-member at the G-3 level (giving a total of approximately \$488,000 at 2006 rates). It must be noted, however, that the continued provision of these contributions from the FAO regular programme budget remains within the purview of the FAO Conference and the next session of the FAO Conference will be held in November 2005. That part of the secretariat situated in Rome also benefits from in-kind contributions in the form of legal advice and administrative support.

38. In paragraph 9 of decision RC-1/17, the Conference invited the Conference of the Parties to the Stockholm Convention at its first meeting to consider, if feasible and appropriate, co-financing in 2006 the position of a joint head of the secretariats of both the Stockholm and Rotterdam conventions at the level of D-1. This invitation was forwarded to the Stockholm Convention on 17 December 2004.

39. Copies of the letter to the Stockholm Convention secretariat and the reply can be found in background document UNEP/FAO/RC/COP.2/INF/4.

40. At its first meeting, the Conference of the Parties of the Stockholm Convention accepted the invitation, and in paragraph 7 of its decision SC-1/4 the Conference states that it:

“accepts the invitation of the first meeting of the Conference of the Parties of the Rotterdam Convention to co-finance in 2006 the position of a joint head of the secretariats of both the Stockholm Convention and the Rotterdam Convention at the level of D-1 and invites the second meeting of the Conference of the Parties of the Rotterdam Convention to consider continuing the arrangement in 2007 and beyond”.

41. Taking this acceptance into account, the staffing table of the Stockholm Convention secretariat contained in decision SC-1/4 provides for 0.75 person-years in 2006 and in 2007 for a D-1 level post to be filled by a head of the secretariat. The budget decision will be made available in the report of Conference of the Parties of the Stockholm Convention on the work of its first meeting, contained in document UNEP/POPS/COP.1/31, which is currently being finalized.

42. In its letter the Stockholm Convention secretariat requested that the Rotterdam Convention secretariat convey the above information to the Conference of the Parties to the Rotterdam Convention for consideration at its second meeting and draw to its attention the invitation for it to consider continuing the arrangement to co-finance the position of a joint head of the secretariats of the Rotterdam and Stockholm conventions in 2007 and beyond.

43. In considering the invitation from the Stockholm Convention, the Conference may wish to recall that, under the existing secretariat arrangements and as reflected in the staffing table (see the table in appendix II below), there are two co-executive secretaries, one in UNEP and one in FAO, each contributing 25 per cent of their time to the operation of the secretariat for a total of 0.5 person-years at the D-1 level. This 25 per cent of the working time of both co-executive secretaries is reflected in the core secretariat costs (as set out in the table in appendix I). In the case of FAO, the remaining 75 per cent of the co-Executive Secretary's working time is dedicated to plant protection issues. The position is fully funded by FAO. In UNEP, the co-Executive Secretary for the Rotterdam Convention (25 per cent of the time of a D-1 post) is funded from the General Trust Fund established under the Rotterdam Convention.

B. Estimate for activities under the voluntary Special Trust Fund

44. In paragraph 15 its decision RC-1/17, the Conference of the Parties took note of the estimates for activities under the Convention to be financed from the voluntary Special Trust Fund. In paragraph 16 it decided that, on an exceptional basis and subject to available resources, funding for participation from the voluntary Special Trust Fund could be available to developing countries. The voluntary Special Trust Fund will thus provide for the costs of travel for participants from developing countries and countries with economies in transition to the third meeting of the Conference of the Parties. It is also intended to provide the funds for the regional delivery of technical assistance to facilitate the implementation and ratification of the Convention.

45. The estimate for activities under the voluntary Special Trust Fund for 2006, as noted by the Conference of the Parties at its first meeting, as well as revised estimates based on the increased numbers of Parties eligible for support for travel to the third meeting of the Conference of the Parties in 2006, may be found in appendix III below.

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

Appendix I

Table 1: Indicative operational budget and revised indicative budget for 2006 (in United States dollars)

	2006	Revised
Ensure effective functioning of the COP		
<i>COP3</i>		
Conference services	435,536	600,000
Subtotal	435,536	600,000
<i>CRC2</i>		
Conference services	110,372	115,000
Experts travel	85,630	90,000
Subtotal	196,002	205,000
<i>Compliance Committee</i>		
Ad hoc working group meeting	0	0
Conference services	0	0
Experts travel	0	0
Subtotal	0	0
Study on financial mechanism	0	0
Office automation and databases		
Software/hardware	75,000	75,000
Consultants/subcontracts	20,000	29,000
Subtotal	95,000	104,000
Core secretariat costs		
Professional personnel ^a	1,710,400	1,941,600
Consultants	25,000	25,000
Administrative support ^a	475,125	456,475
Official travel	100,000	100,000
Equipment and premises	40,000	40,000
Miscellaneous	47,000	47,000
Subtotal	2,397,525	2,610,075
Total activities	3,124,063	3,519,075
Administrative overheads (13%)	406,128	457,480
Subtotal activities and administrative overheads	3,530,191	3,976,555
Working capital reserve (8.3 %) ^b	11,968	37,048
Total operational budget	3,542,159	4,013,603
Host country contribution ^c	1,444,043	1,556,420
Total to be covered by assessed contributions	2,098,116	2,457,183

^a This includes staff costs expected to be provided by FAO (see paragraph 37).

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

^c At 1 April 2005 dollar-euro exchange rate (1:0.771), 1.2 million euros = US\$ 1,556,420.

Appendix II

Convention secretariat staffing table

Staff category and level	2005 Budget	2006 budget
A. Professional category		
D-1 *	0.5	0.5
P-5	2.0	2.0
P-4	4.0	3.0
P-3	3.0	5.0
P-2	2.0	2.0
Subtotal	11.5	12.5
B. General Service category	5.3	5.3
Total (A + B)	16.8	17.8

* See paragraph 43.

Appendix III

Estimate for activities under the voluntary Special Trust Fund (RV) and revised estimates (in United States dollars)

	2006	Revised
Participants' travel		
Participants' travel COP	369,641	500,000
Subtotal activities	369,641	500,000
Administrative overheads (13%)	48,053	65,000
Total	417,694	565,000
Facilitation of implementation and ratification		
Technical assistance	400,000	400,000
Printed material	45,150	45,150
Website	10,500	10,500
Subtotal activities	455,650	455,650
Administrative overheads (13%)	59,235	59,235
Total	514,885	514,885
Overall total voluntary Special Trust Fund	932,579	1,079,885