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INTERGOVERNMENTAL NEGOTIATING COMMITTEE FOR AN  
INTERNATIONAL LEGALLY BINDING INSTRUMENT FOR  
THE APPLICATION OF THE PRIOR INFORMED CONSENT  
PROCEDURE FOR CERTAIN HAZARDOUS CHEMICALS AND  
PESTICIDES IN INTERNATIONAL TRADE

Tenth session

Geneva, 17-21 November 2003

Item 3 of the provisional agenda?

**Activities of the secretariat and review of the situation  
as regards extrabudgetary funds**

**ACTIVITIES OF THE SECRETARIAT AND REVIEW OF THE SITUATION  
AS REGARDS EXTRABUDGETARY FUNDS**

**Report by the secretariat**

**Introduction**

1. Except as otherwise noted or where apparent from the context, the present report covers the period from 1 May 2002 to 30 April 2003.
2. In accordance with the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the resolution on interim arrangements adopted by the Conference of Plenipotentiaries that adopted the Convention, the secretariat established jointly by the United Nations Environment Programme (UNEP) and the Food and Agriculture Organization of the United Nations (FAO) will continue to serve as the secretariat of the Convention during the interim period. UNEP and FAO will also provide secretariat services after the Convention has entered into force.
3. During the interim period, the secretariat will continue its work in support of the Intergovernmental Negotiating Committee and the Interim Chemical Review Committee. Also, the secretariat will service the operation of the interim prior informed consent (PIC) procedure, as described in the resolution on interim arrangements.

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## I. IMPLEMENTATION OF THE INTERIM PIC PROCEDURE

4. A detailed report on the status of implementation of the interim PIC procedure for the present and previous reporting periods may be found in document UNEP/FAO/PIC/INC.10/4. The secretariat's work in support of the interim PIC procedure is summarized in the following sections.

### A. Compilation and circulation of information on nomination of designated national authorities

5. Under paragraph 4 of article 4 of the Convention, the secretariat must inform the Parties<sup>1</sup> of new nominations or changes in nominations of designated national authorities.

6. During the reporting period, the secretariat received one nomination of a new designated national authority from a State not yet participating in the interim PIC procedure, five nominations of additional designated national authorities and 41 changes of existing designated national authorities. As of 30 April 2003, a total of 168 States and regional economic integration organizations had nominated a total of 256 designated national authorities.

7. An updated list was circulated to all designated national authorities twice during the reporting period together with the PIC Circular (see section E below). Also, the information on nominations of designated national authorities is updated on a running basis and made available on the Convention web site [www.pic.int](http://www.pic.int).

### B. Circulation of decision guidance documents for chemicals subject to the interim PIC procedure

8. At its ninth session, in its decision INC-9/1, the Committee decided to make the chemical monocrotophos subject to the interim PIC procedure and adopted the decision guidance document for that chemical.

9. In line with article 7 of the Convention, the decision guidance document was circulated to all designated national authorities by the secretariat on 1 February 2003.

### C. Verification and circulation of notifications of final regulatory action to ban or severely restrict a chemical and proposals for inclusion of severely hazardous pesticide formulations

10. 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 by Annex I of the Convention. Under paragraph 4 of the article 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 by Annex I of the Convention.

11. During the reporting period, the secretariat received a total of 34 notifications of final regulatory action from four Parties. Those notifications are being verified and synopses have been circulated to Parties in appendix 1 of PIC Circulars XVI and XVII.

12. In line with paragraph 2 of article 6 of the Convention, the secretariat must circulate summaries of proposals for inclusion of severely hazardous pesticide formulations in the interim PIC procedure which the secretariat has verified as containing the information required by part 1 of Annex IV of the Convention. The secretariat received no proposals for inclusion of severely hazardous pesticide formulations during the reporting period.

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<sup>1</sup> During the interim period before the Convention enters into force, a "Party" is understood to mean any State or regional economic integration organization having nominated a designated national authority or authorities for the purpose of participating in the interim PIC procedure.

#### D. Verification and circulation of responses concerning future import of a chemical

13. 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. Under paragraph 4 of the article, the response must consist of either a final decision or an interim response. An interim response may include an interim decision regarding import.

14. 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.

15. 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.

16. During the reporting period, the secretariat received 119 responses regarding future import, from 14 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 XVI and XVII.

#### E. Distribution of the PIC Circular

17. 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.

18. During the reporting period, the secretariat published PIC Circular XVI, in December 2002, and PIC Circular XVII, in June 2003.

#### F. Response to queries and requests for information

19. During the reporting period, the secretariat received and responded to a total of 224 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

20. The ninth session of the Intergovernmental Negotiating Committee was held in Bonn, Germany from 30 September to 4 October 2002. It was attended by more than 230 delegates, representing over 100 Governments, nine Intergovernmental Organizations, various non-governmental organizations and a number of United Nations Agencies. The report of the session is given in document UNEP/FAO/PIC/INC.9/21.

21. The Committee expressed its satisfaction at the quality of work achieved by the secretariat, with limited staff and budgetary resources, and noted the budget for 2004. The Committee decided to include the chemical monocrotophos in the interim PIC procedure and adopted the decision guidance document for that chemical (decision INC-9/1). It addressed a number of issues related to the implementation of the interim PIC procedure raised by the Interim Chemical Review Committee, and it decided to extend the mandate of that committee and confirmed the appointment of a new member (decision INC-9/2).

### III. SUPPORT FOR THE INTERIM CHEMICAL REVIEW COMMITTEE

22. The fourth session of the Interim Chemical Review Committee was held at FAO headquarters in Rome from 3 to 7 March 2003. It was attended by 26 of the 29 nominated experts and by observers from Governments, intergovernmental organizations and non-governmental organizations. The report of that session is reproduced in annex to document UNEP/FAO/PIC/INC.10/6.

23. The Interim Chemical Review Committee decided to recommend to the Intergovernmental Negotiating Committee that the following chemicals should be included under the interim PIC procedure and that their draft decision guidance documents should be adopted: the five forms of asbestos – actinolite, anthophyllite, amosite, tremolite and chrysotile - other than the already listed crocidolite; DNOC and its salts; and dustable powder formulations containing benomyl, carbofuran and thiram at or above a certain level. The decision guidance documents (UNEP/FAO/PIC/INC.10/7, 8 and 9) have been forwarded to the Intergovernmental Negotiating Committee for approval.

### IV. FACILITATION OF IMPLEMENTATION AND RATIFICATION

24. In response to requests for training in the implementation of the interim 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. Also, countries are encouraged to identify opportunities for improved cooperation in the implementation of the interim 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.

25. At its ninth session, the Committee requested the secretariat to prepare a document on workshops indicating when and where they had been held, where they were projected, the target audiences and costing involved (UNEP/FAO/PIC/INC.9/21, para. 41). That information is given in tabular form in annex VI to the present report. Members of the Secretariat have participated also in workshops on the Basel, Rotterdam and Stockholm Conventions held in Cairns, Australia for the South Pacific small island States and in Almaty, Kazakhstan for States in Central Asia. Further to the information provided in annex VI, document UNEP/FAO/PIC/INC.10/21 provides an analysis of the outcome of the workshops.

26. In March 2003, the secretariat provided the designated national authorities of every country that had ratified the Convention with a status report on their country's implementation of the interim PIC procedure, including the number of import responses provided and the number of notifications of final regulatory actions to ban or severely restrict chemicals which they had submitted. A similar letter and status report is sent to each new Party.

27. In March 2003, the secretariat invited countries in the Asian, Latin America and the Caribbean, and South-West Pacific interim PIC regions that had not already done so to nominate designated national authorities.

28. In June 2003, the secretariat wrote to the FAO country representatives in selected countries to seek their support in assisting those countries in working towards ratification of the Rotterdam Convention. The countries selected were those which had signed the Convention and were judged to be making reasonable progress in implementing the interim PIC procedure, as measured by the submission of import responses. The information provided included a brief overview of the Convention, guidance on how to ratify, including model documents (based on document UNEP/FAO/PIC/INC.9/INF/6), an overview of the financial obligations associated with ratification and a list of those countries that were already Parties to the Convention.

29. In response to the discussions at the third and fourth sessions of the Interim Chemical Review Committee, the secretariat has established a clearing house for information on chemicals subject to the interim PIC procedure. The clearing house will contain information submitted by Parties on national evaluations of the chemicals together with information on alternatives to those chemicals. The goal of the clearing house is to facilitate information exchange on chemicals subject to the interim PIC procedure and to assist countries in making import decisions. Information on the clearing house is available to the Committee in document UNEP/FAO/PIC/INC.10/22.
30. Six months after each workshop, the secretariat sends a letter to the participants, and to the designated national authorities, if different, drawing their attention to the status of their import responses and notifications of final regulatory action.
31. The register of designated national authorities is updated whenever the secretariat is notified of any changes of contact details. However, recent experience has shown that the addresses for many of the designated national authorities are outdated or incomplete. This causes delays in contacting designated national authorities and complicates the planning and organization of regional workshops. As a first step, in March 2003 the secretariat requested the permanent representatives to FAO and UNEP of the countries in the Asian and the Spanish-speaking Latin American Regions to review the contact details for their designated national authorities and to bring any errors or omissions to the attention of the secretariat.
32. A new version of the Convention web site has been launched, and is now available in English, French and Spanish.

#### V. TRUST FUND, SECRETARIAT STAFFING AND BUDGET

33. At its eighth session, in 2002, the Committee approved a budget of \$2,446,599 for 2003. At its ninth session, in 2003, the Committee noted the draft budget proposed for 2004 and decided to revisit that budget at its tenth session. The Committee also decided to establish an open-ended budget working group early in its tenth session. The budget for 2004, as noted by the Committee, is set forth in annex IV to the present report as the standard staff costs used to prepare the budget in early 2002 have been revised several times, the budget set forth in annex IV has been updated by the secretariat. Also, the budget line "Participants' travel to COP1" may rise depending on the composition of Parties at the first Conference of the Parties and the possible need for funding for observers from developing countries and countries with economies in transition.
34. The budget for 2004 was developed on the basis that the following outputs would be required by the Parties:
- ?? One session of the Intergovernmental Negotiating Committee/Conference of the Parties
  - ?? One session of the Interim Chemical Review Committee
  - ?? Development and implementation of technical assistance strategy
  - ?? Technical guidance documents
  - ?? Implementation of a communications strategy
  - ?? Outreach to countries; determination of specific country and subregional needs
  - ?? Two PIC Circulars
  - ?? Communication materials

- ?? Fully operational database
- ?? Further development of the clearing house
- ?? Provision of a fully functional secretariat

35. In annex V, the secretariat has attached an indicative budget for 2005, based on the same level of activities and staffing as in 2004. This budget is expected to be adjusted based on the guidance provided by the first meeting of the Conference of the Parties and the financial rules adopted.

36. Pledges and contributions to the Trust Fund established by the Executive Director of UNEP are shown in annex I to the present report. These were \$2,194,003 in 2002 and \$786,024 in 2003 as at 30 June 2003. The table also lists contributions for 2002 and actual contributions for 2003 from the Environment Fund of UNEP and the regular programme of FAO, as well as the balance transferred from 2001 and the interest accrued for 2002-2003.

37. An update on additional pledges and contributions received after 30 June 2003 and an overview of expenditures and the cash-flow situation will be provided at the tenth session of the Intergovernmental Negotiating Committee.

38. At its ninth session, the Committee requested the Executive Director of UNEP to consider using a portion of the 13 per cent administrative fee to provide additional support to the secretariat for administrative and financial matters. This matter is currently under discussion with the Executive Director and the United Nations Office at Nairobi (UNON).

39. FAO and UNEP also provide financial support to the operations of the secretariat. FAO allocated \$316,014 in 2002 and \$132,943 as of 30 June 2003 from its regular programme resources. UNEP allocated \$226,520 in 2002 and \$97,874 as of 30 June 2003 from its Environment Fund.

40. The secretariat was able to carry forward \$751,967 from 2001 to 2002 and \$1,201,531 from 2002 to 2003. In order to maintain uninterrupted secretariat support to hold meetings 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 Interim Chemical Review Committee and to guarantee funding for staff on trust-funded posts for that year the exact carry-forward required depends on staffing levels projected for that year. A reason for the relatively high carry-over from 2002 to 2003 is the delay in filling vacant posts that were included in the budget and the relative high proportion of the staff costs carried by UNEP and FAO.

41. Expenditures from the Trust Fund for 2002 amount to \$1,859,240. Those expenditures are summarized in annex II, which also lists the contributions from UNEP and FAO. The over-expenditures on the budget elements "Facilitation of implementation and ratification" and "Office automation and databases" correspond roughly to the under-expenditures on the same elements in 2001 attributable to lack of resources. The under-expenditure on "Core secretariat costs" was mainly attributable to delays in recruiting in combination with contributions by UNEP and FAO to meet such costs.

42. The actual and budgeted staffing situation of the secretariat for 2002-2005 is shown in annex III together with the standard staff costs used for the 2004 and 2005 budgets.

43. The Committee may wish to:

- (a) Approve the staffing level and budget for 2004-2005;
- (b) Urge Governments and others to provide the necessary funding to implement the budget for 2003, and for 2004-2005, in full;

(c) Note that, although the first session of the Conference of the Parties is tentatively planned and budgeted for 2004, its scheduling is determined by the pace of ratification, and agree that the secretariat should have the flexibility to schedule the meeting as necessary.

## Annex I

Financial pledges and contributions for the calendar year 2002 and for 2003 (as at 30 June)  
(in dollars)

	<b>Year 2002</b>	<b>Year 2003</b>
<b>Contributions to the Trust Fund:</b>		
Austria	14,610	-
Belgium	116,580	100,000
Canada	34,635	16,816
European Community	97,138	-
Finland	9,804	8,724
France	51,125	-
Germany	537,932	16,587
Japan	100,000	-
Madagascar	958	-
Netherlands	223,646	-
Norway	32,141	35,090
Sweden	38,474	31,506
Switzerland	310,000	77,301
United Kingdom	126,960	-
United States of America	500,000	500,000
Total contributions to the Trust Fund	2,194,003	786,024
<b>Other Contributions and transfers:</b>		
Environment Fund of UNEP	226,520	97,874
Regular programme of FAO	316,014	132,943
Balance transferred from prior years	751,967	1,201,531
Total other contributions and transfers	1,294,501	1,432,348
<b>TOTAL</b>	<b>3,488,504</b>	<b>2,218,372</b>



Annex IIExpenditures for 2002 (in dollars)

		Expenditures				Budget as approved by the Committee at its seventh session
		PP Trust Fund	UNEP	FAO	Total	
	Ensure effective functioning of the INC					
	<i>INC9 in Bonn</i>					
	Conference services	425,182	0	0	425,182	
	Participants' travel	324,860	0	0	324,860	
	Subtotal	750,042	0	0	750,042	625,000
	<i>ICRC3 in Geneva</i>					
	Conference Services	102,760	0	0	102,760	
	Participants' travels	62,373	0	0	62,373	
	Subtotal	165,133	0	0	165,133	145,000
	Facilitation of implementation and ratification					
	Workshops	261,593	0	0	261,593	
	Printed material	17,415	0	0	17,415	
	Web site	0	0	0	0	
	Subtotal	279,008	0	0	279,008	55,000
	Office automation and databases					
	Software	5,729	0	0	5,729	
	Hardware	17,551	0	0	17,551	
	Consultants/subcontracts	102,490	0	0	102,490	
	Subtotal	125,770	0	0	125,770	26,500
	Core secretariat costs					
	Project personnel	136,578	93,458	240,728	470,764	
	Consultants	56,000	0	6,882	62,882	
	Administrative support	68,648	107,637	6,349	182,634	
	Official travel	53,601	11,489	20,711	85,801	
	Equipment and premises	0	9,936	3,372	13,308	
	Miscellaneous	10,565	4,000	37,972	52,537	
	Subtotal	325,392	226,520	316,014	867,926	1,191,275
	Total	1,645,345	226,520	316,014	2,187,879	2,042,775
	Administrative overheads (13 per cent)	213,895	n/a	n/a	213,895	265,561
	Total expenditures 2002	1,859,240	226,520	316,014	2,401,774	2,308,336
	Total Trust Fund contributions 2002	2,194,003				
	Balance transferred from 2001	751,967				
	Interest accrued in 2002-03	114,801				
	Total income 2002	3,060,771				
	Balance transferred to 2003	1,201,531				

Annex IIIInterim secretariat staffing situation as of 30 June 2003Table 1: Programme staff

	2002	2003		2004	2005
	Actual	Budget	Actual	Budget	Budget
D1	0.5	0.5	0.5	0.5	0.5
P5	2.0	2.0	2.0	2.0	2.0
P4	0.0	2.0	0.6	2.0	2.0
P3	1.0	3.0	2.6	4.0	4.0
P2	1.0	2.0	1.0	2.0	2.0
GS	2.8	4.8	3.3	5.3	5.3
TOTAL	7.3	14.3	10.0	15.8	15.8

Table 2: Standard staff costs (in dollars)

	2003*	2004**	2005***
A. Professional category			
D1	151,500	181,300	184,926
P5	142,500	161,200	164,424
P4	124,600	139,300	142,086
P3	104,700	112,600	114,852
P2/1	82,300	89,900	91,698
B. General Service category	72,700	74,300	75,786

\* 2003 United Nations standard salary costs version 06

\*\* 2003 United Nations standard salary costs version 13

\*\*\* Increase of 2 per cent over 2004 standard salary costs

Annex IV

Budget for 2004 as noted by the Committee  
and updated to reflect adjustments in standard staff costs  
(in dollars)

Ensure effective functioning of the INC/COP		
	<i>INCII/COPI</i>	
	Conference services	375,000
	Participants' travel	175,000
	Subtotal	550,000
	<i>ICRC5 in Geneva</i>	
	Conference services	85,000
	Participants' travel	75,000
	Subtotal	160,000
Facilitation of implementation and ratification		
	Workshops	475,000
	Printed material	43,000
	Web site	10,000
	Subtotal	528,000
Office automation and databases		
	Software/hardware	40,000
	Consultants/subcontracts	0
	Subtotal	40,000
Core secretariat costs		
	Project personnel	1,321,850
	Consultants	45,000
	Administrative support	390,075
	Official travel	100,000
	Equipment and premises	5,000
	Miscellaneous	15,000
	Subtotal	1,876,925
Total		3,154,925
	Administrative overheads (13 per cent)	410,140
TOTAL		3,565,065

Annex VIndicative budget for 2005  
(in dollars)

Ensure effective functioning of COP		
	<i>COP2</i>	
	Conference services	375,000
	Participants' travel	375,000
	Subtotal	750,000
	<i>CRCI</i>	
	Conference services	85,000
	Participants' travel	125,000
	Subtotal	210,000
Facilitation of implementation and ratification		
	Workshops	475,000
	Printed material	43,000
	Web site	10,000
	Subtotal	528,000
Office automation and databases		
	Software/hardware	40,000
	Consultants/subcontracts	0
	Subtotal	40,000
Core secretariat costs		
	Project personnel	1,348,287
	Consultants	45,000
	Administrative support	397,877
	Official travel	100,000
	Equipment and premises	5,000
	Miscellaneous	15,000
	Subtotal	1,911,164
Total		3,439,164
Administrative overheads (13 per cent)		447,091
<b>TOTAL</b>		<b>3,886,255</b>

Annex VIConvened and planned workshops

Venue	Region (language)	Period	Countries	Participants	Cost (dollars)*
Bangkok	Asia (English)	8-11 December 1998	15	26	19,952
Nairobi	Africa (English)	13-16 June 2000	17	24	77,395
Cartagena, Colombia	LA-C (Spanish)	3-6 October 2000	17	29	56,458
Kingston	LA-C (English)	8-12 April 2002	13	47	70,561
Dakar	Africa (French)	10-14 June 2002	23	46	99,276
Tehran	Near East (English/Arabic)	19-23 October 2002	9	35	82,538
Kyiv	Central and Eastern Europe (English/Russian)	25-29 November 2002	13	31	76,391
Windhoek	Africa (English)	17-21 February 2003	20	31	75,939
Samoa	South-West Pacific (English)	22-26 September 2003			
Panama	LA-C (Spanish)	6-10 October 2003			
Beijing	Asia (English)	March 2004			
Total cost					558,510
Administrative support cost 13 per cent					72,606
<b>TOTAL</b>					<b>631,116</b>

\* Includes participants' travel and DSA, rental of facilities and equipment and financial support to the host Government. Secretariat time and travel costs are not included.

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