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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

Ninth session

Bonn, 30 September - 4 October 2002

Item 3 of the provisional agenda*

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

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 2001 to 30 April 2002.
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 passed 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 the secretariat 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. In addition, the secretariat will service the operation of the interim prior informed consent (PIC) procedure, as described in the resolution on interim arrangements.

* UNEP/FAO/PIC/INC.9/1.

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.9/5. The secretariat's work in support of the interim PIC procedure can be summarized under the following main headings:

A. Compilation and circulation of information on nomination of Designated National Authorities

5. In line with article 4, paragraph 4, of the Convention, the secretariat shall inform the Parties¹ of new nominations or changes in nominations of Designated National Authorities.

6. During the reporting period, the secretariat has 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 36 changes of existing Designated National Authorities. As of 30 April 2002, a total of 166 States and regional economic integration organizations had nominated a total of 250 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). In addition, 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.

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

8. The resolution on interim arrangements stipulates, in paragraph 7, that all chemicals that have been identified for inclusion under the original PIC procedure, but for which decision guidance documents have not yet been circulated before the date on which the Convention is opened for signature, will become subject to the interim PIC procedure as soon as the relevant decision guidance documents have been adopted by the Intergovernmental Negotiating Committee.

9. At its eighth session, in decision INC-8/3, the Committee approved the recommendation of the Interim Chemical Review Committee that maleic hydrazide should not become subject to the interim PIC procedure and that a decision guidance document should not be developed.

10. Consequently the secretariat did not circulate any decision guidance documents for such chemicals during the reporting period.

11. At its second session, the Interim Chemical Review Committee agreed to recommend the chemical monocrotophos for inclusion. In line with the process for the development of decision guidance documents contained in decision INC-7/6, a draft was circulated to members of the Interim Chemical Review Committee and observers for comment, a revised draft was circulated prior to the third session of the Interim Chemical Review Committee (UNEP/FAO/PIC/ICRC.3/18) and the final draft of the decision guidance document as adopted by the Interim Chemical Review Committee at its third session was circulated to all countries on 25 March 2002. The decision guidance document and a tabular summary of the comments received may be found in document UNEP/FAO/PIC/INC.8/10.

¹ During the interim period until 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.

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

12. In line with article 5, paragraph 3, of the Convention, the secretariat is to circulate summaries of notifications of final regulatory action received which the secretariat has verified contain the information required under annex I of the Convention. In line with article 5, paragraph 4, of the Convention, the secretariat is to 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 of the Convention.

13. During the reporting period, the secretariat received a total of 48 notifications of final regulatory action from seven Parties, covering 46 chemicals and pesticides. These notifications were verified and a synopsis was circulated to Parties through appendix 1 of PIC Circular XIV and PIC Circular XV.

14. In line with article 6, paragraph 2, of the Convention, the secretariat is to circulate summaries of those proposals for inclusion of severely hazardous pesticide formulations in the interim PIC procedure that the secretariat has verified contain the information required under part 1 of annex IV of the Convention.

15. During the reporting period, the secretariat received two proposals for the inclusion of a severely hazardous pesticide formulation from one Party. These proposals were verified and summaries were circulated to Parties through appendix II of PIC Circular XIV.

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

16. In line with article 10, paragraph 2, of the Convention, each Party is required to 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. In line with article 10, paragraph 4, of the Convention, the response shall consist of either a final decision or an interim response. The interim response may include an interim decision regarding import.

17. In line with article 10, paragraph 3, of the Convention, the secretariat shall, at the expiration of the time period given in article 10, paragraph 2, forthwith address to a Party that has not provided such a response, a written request to do so, through its Designated National Authority. The listing in the PIC Circular of such cases of failure to transmit a response represents the written request from the secretariat to each Party to provide a response.

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

19. During the reporting period, the secretariat received 145 responses regarding future import from 23 Parties for chemicals and pesticides currently included in the interim PIC procedure. These included a regional economic integration organization, responding on behalf of 15 Parties. 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 Circular XIV and PIC Circular XV.

E. Distribution of the PIC Circular

20. 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 required to be circulated by the secretariat under the interim PIC procedure, in line with articles 4, 5, 6, 7, 10 and 14 of the Convention.

21. Over the reporting period, the secretariat published PIC Circular XIV (December 2001) and PIC Circular XV (June 2002).

F. Response to queries and requests for information

22. Over the reporting period, the secretariat received and responded to a total of 176 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

23. The eighth session of the Intergovernmental Negotiating Committee was held at FAO headquarters in Rome, from 8 to 12 October 2001. It was attended by delegates from 115 Parties and observers from a number of United Nations bodies and intergovernmental and non-governmental organizations. The report of that session is contained in document UNEP/FAO/PIC/INC.8/19.

24. The Committee expressed its satisfaction at the quality of work achieved by the secretariat, with limited staff and budgetary resources, and approved the budget for 2003. The Committee agreed on and adopted rules and procedures for preventing and dealing with conflicts of interest related to the activities of the Interim Chemical Review Committee (decision INC-8/1), confirmed an expert from Australia to serve on that Committee (decision INC-8/2) and approved the recommendation of the Interim Chemical Review Committee that maleic hydrazide not become subject to the interim PIC procedure (decision INC-8/3). In preparing for the first meeting of the Conference of the Parties, the Committee reached agreement on the draft rules of procedure, and agreed to the approach to assign Harmonized System custom codes to the chemicals in the Convention. It further considered the draft financial rules, a procedure to handle cases of non-compliance, an outline of a possible reporting procedure, and a paper setting out options for the issues related to the discontinuation of the interim PIC procedure. The Committee agreed to continue its consideration of those issues and requested the secretariat to prepare the necessary papers.

III. SUPPORT FOR THE INTERIM CHEMICAL REVIEW COMMITTEE

25. The third session of the Interim Chemical Review Committee was held in Geneva, Switzerland, from 17 to 21 February 2002. It was attended by 26 of the 29 nominated experts, and observers from Governments, intergovernmental organizations and non-governmental organizations. The report of that session is contained in document UNEP/FAO/PIC/INC.8/6.

26. The Committee decided to recommend the following chemicals and acutely hazardous pesticide formulations for inclusion in the interim PIC procedure: monocrotophos, DNOC, Granox TBC and Spinox T, as well as the five additional forms of asbestos (actinolite, anthophyllite, tremolite, amosite and chrysotile). In line with the process adopted under decision INC-7/6, intersessional drafting groups have been established to draft decision guidance documents for those chemicals.

IV. FACILITATION OF IMPLEMENTATION AND RATIFICATION

27. In response to requests for training in the implementation of the interim PIC procedure, a workshop curriculum was developed that provides practical training on the operational elements of the interim PIC procedure. The agenda also provides opportunities for countries to share their experience in the implementation of 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 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.

28. The format was successfully used at a subregional workshop for English-speaking countries in the Latin America and Caribbean region in Kingston, Jamaica (8 to 12 April 2002). The workshop was hosted by the Government of Jamaica with financial support from the Government of Switzerland, and attended by 47 participants from 13 countries in the region.

29. A further subregional workshop for French-speaking countries in the African region was held in Dakar, Senegal, from 10 to 14 June 2002. The workshop was hosted by the Government of Senegal, with financial support from the Government of Belgium, and attended by 46 participants from 23 countries in the region.

30. Further workshops are scheduled from 19 to 23 October 2002 in Teheran, Islamic Republic of Iran, for countries in the Near East region, and from 25 to 29 November 2002 in Kiev, Ukraine, for Central and Eastern European countries.

31. The secretariat has printed and distributed a booklet with the text of the Convention in all official United Nations languages. More than 5,000 copies in English have been distributed, together with a corresponding number in other languages, and the booklet is now being reprinted. The secretariat has also printed and distributed an information brochure with a focus on the key elements of the Convention. Further, in accordance with a request by the Intergovernmental Negotiating Committee at its eighth session, a working paper on guidance to Designated National Authorities on the implementation of the interim PIC procedure has been prepared.

V. TRUST FUND, SECRETARIAT STAFFING AND CORE BUDGET

32. At the seventh session of the Intergovernmental Negotiating Committee, a budget of \$2,370,994 was approved for 2001 and \$2,308,336 for 2002. At the eighth session, a budget of \$2,446,599 was approved for 2003.

33. Pledges and contributions to the Trust Fund established by the Executive Director of UNEP are shown in annex I. These were \$1,250,831 in 2001 and \$1,320,880 in 2002 as at 30 June. An updated financial report will be provided verbally at the ninth session of the Intergovernmental Negotiating Committee.

34. FAO and UNEP also provide direct financial support to the operations of the secretariat. FAO allocated \$523,790² in 2001 and expects to allocate \$450,000³ in 2002 from its regular programme resources. UNEP allocated \$519,538 in 2001 and expects to allocate \$285,000 in 2002 from its Environment Fund.

35. The secretariat was able to carry forward \$348,000⁴ from 2000 to 2001 and \$751,967 from 2001 to 2002. In order to maintain uninterrupted secretariat support and to hold meetings on schedule, it is necessary for the secretariat to maintain a balance in trust fund accounts of approximately \$650,000 at the end of each year (depending on the exchange rate). These 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.

36. Annex I shows that there was a shortfall of \$76,835 for 2001 and there is a projected shortfall of \$252,456 for 2002.

37. Expenditures from the Trust Fund for 2001 amount to \$498,864. Those expenditures are summarized in annex II, which also shows the contributions from UNEP and FAO. As requested by the Committee at its eighth session, the expenditures are now linked directly to the elements of the approved budget.

² The amount includes a contribution from the Government of Japan to FAO of \$125,114.

³ The amount includes a contribution from the Government of Japan to FAO of approximately \$50,000.

⁴ The amount carried forward includes a contribution from the Government of Japan to FAO of \$183,000.

38. The staffing situation of the secretariat, as at 31 May 2002, is shown in annex III. It does not include consultants and temporary conference service staff (interpreters, editors and translators), nor does it include staff in UNEP and FAO that provide legal, administrative and data processing support.

39. Annex IV shows a proposed budget for 2004.

40. At its seventh session, the Committee noted that it might be useful if the secretariat could provide a written indication of its priorities when presenting each new budget. At its eight session, the Committee considered the priorities suggested by the Secretariat and agreed to the following:

- Priority one: Core secretariat activities related to implementation of the interim PIC procedure.
- Priority two: Meetings of the Intergovernmental Negotiating Committee and the Interim Chemical Review Committee.
- Priority three: Facilitation of implementation and ratification (including workshops).
- Priority four: Secretariat activities related to preparation for activities to be undertaken after the Convention enters into force, e.g., future decisions of the Conference of the Parties.
- Priority five: Secretariat activities related to the statement of the President of the Conference of Plenipotentiaries, e.g., illicit trafficking.

Annex IFinancial pledges and contributions for the calendar year 2001 and for 2002 (as at 30 June)
(in United States dollars)

	Year 2001	Year 2002
Contributions to the UNEP Trust Fund:		
Belgium	50,273	-
Canada	-	62,893
Czech Republic	3,000	-
European Economic Community	183,600	-
Finland	15,561	-
Germany	-	382,200
Italy	227,428	218,156
Netherlands	203,407	-
Norway	29,225	19,157
Sweden	18,948	38,474
Switzerland	122,699	100,000
United Kingdom	146,690	-
United States of America	250,000	500,000
Total UNEP Trust Fund	1,250,831	1,320,880
Other Contributions:		
United Nations Environment Programme	519,538	285,000
Food and Agriculture Organization of the United Nations	523,790 ^a	450,000 ^b
Total other Contributions	1,043,328	735,000
Funding overview:		
TOTAL (UNEP Trust Fund + other contributions)	2,294,159	2,055,880
Budget, as approved the Committee	2,370,994	2,308,336
Shortfall	76,835	252,456

^a The amount includes a contribution from the Government of Japan to FAO of \$125,114.

^b The amount includes a contribution from the Government of Japan to FAO of approximately \$50,000.

Annex IIExpenditures for 2001
(United States dollars)

		Expenditures				Budget as approved by Committee at its seventh session
		Trust Fund	UNEP	FAO	Total	
Ensure effective function of the INC						
	<i>INC8 in Rome</i>					
	Conference Services	0	235,662	92,284	327,946	
	Participant travel	168,237	0	0	168,237	
	Subtotal	168,237	235,662	92,284	496,183	625,000
	<i>ICRC2 in Rome</i>					
	Conference Services	20,000	0	20,706	40,706	
	Participant travel	0	0	68,026	68,026	
	Subtotal	20,000	0	88,732	108,732	145,000
Facilitation of implementation and ratification						
	Workshops					
	Printed material	1,420	40,000	8,094	49,514	
	Web site	0	13,350	0	13,350	
	Subtotal	1,420	53,350	8,094	62,864	165,000
Office automation and databases						
	Software	315	0	0	315	
	Hardware	0	0	0	0	
	Consultants/sub-contracts	0	52,499	3,000	55,499	
	Subtotal	315	52,499	3,000	55,814	203,000
Core secretariat costs						
	Project personnel	115,419	71,877	265,631	452,927	
	Consultants	51,715	0	27,809	79,524	
	Administrative support	65,398	71,774	0	137,172	
	Official travel	8,092	20,440	20,872	49,404	
	Equipment and premises	10,877	13,936	10,496	35,309	
	Miscellaneous	0	0	6,872	6,872	
	Subtotal	251,501	178,027	331,680	761,208	960,225
	Total	441,473	519,538	523,790	1,484,801	2,098,225
	Administrative overheads (13%)	57,391	n/a	n/a	57,391	272,769
	TOTAL	498,864	519,538	532,790	1,542,192	2,370,994
	Total Trust Fund Contributions	1,250,831				
	Balance transferred to 2002	751,967				

Annex IIIInterim secretariat staffing situation

	2002	2003	2004
D-1	0.50	0.50	0.50
P-5	2	2	2
P-4	1 ^a	1	2
P-3	2 ^b	3	4
P-2	0	2	2
General Service	4.25	5.25	5.25
TOTAL	9.75	13.75	15.75

a One P-4 under recruitment.

b One P-3 under recruitment

Annex IVA. Proposed Budget for 2004
(United States dollars)

Item of expenditure	2004
Staff costs	1 685 277
Consultants	55 000
Official travel	100 000
Sub-contracts	100 000
Conference services	460 000
Participant travel	250 000
Training (Participant travel to workshops)	375 000
Equipment and premises	60 000
Miscellaneous	135 000
Subtotal	3 220 277
United Nations Support charge (13%)	418 636
TOTAL	3 638 913

B. Supplemental Information: Budget details by Priority Area

Priority Area 1: Preparing for and convening sessions of the INC (or COP) and its subsidiary bodies (except ICRC); including providing policy, legal and technical support and analysis, as requested

1/1 - Meetings of the INC: Item of expenditure	2004
Staff costs	421 319
Consultants	0
Official travel	20 000
Sub-contracts	0
Conference services	375 000
Participant travel	175 000
Training (Participant travel to workshops)	0
Equipment and premises	15 000
Miscellaneous	33 750
Subtotal	1 040 069

1/2 - Meetings of the ICRC: Item of expenditure	2004
Staff costs	337 055
Consultants	0
Official travel	20 000
Sub-contracts	0
Conference services	85 000
Participant travel	75 000
Training (Participant travel to workshops)	0
Equipment and premises	12 000
Miscellaneous	27 000
Subtotal	556 055

Priority area 2: Implementation of the interim prior informed consent procedure, including the related secretariat functions specified by the Convention

2 – Item of expenditure	2004
Staff costs	505 583
Consultants	19 250
Official travel	20 000
Sub-contracts	0
Conference services	0
Participant travel	0
Training (Participant travel to workshops)	0
Equipment and premises	18 000
Miscellaneous	40 500
Subtotal	603 333

Priority area 3: Facilitation of implementation and ratification, including workshops, outreach activities, query-response services and other activities requested by the Parties

3/1 - Workshops: Item of expenditure	2004
Staff costs	168 528
Consultants	16 500
Official travel	30 000
Sub-contracts	100 000
Conference services	0
Participant travel	0
Training (Participant travel to workshops)	375 000
Equipment and premises	6 000
Miscellaneous	13 500
Subtotal	709 528

For example: Outreach activities, query-response services and other activities requested by the Parties

3/2 - Other activities: Item of expenditure	2004
Staff costs	84 264
Consultants	13 750
Official travel	5 000
Sub-contracts	0
Conference services	0
Participant travel	0
Training (Participant travel to workshops)	0
Equipment and premises	3 000
Miscellaneous	6 750
Subtotal	112 764

Priority Area 4: Preparation for activities to be undertaken after the Convention enters into force, e.g., supporting future decisions of the Conference of the Parties

4 - Item of expenditure	2004
Staff costs	84 264
Consultants	0
Official travel	0
Sub-contracts	0
Conference services	0
Participant travel	0
Training (Participant travel to workshops)	0
Equipment and premises	3 000
Miscellaneous	6 750
Subtotal	94 014

Priority area 5: Activities related to the statement of the President of the Conference of Plenipotentiaries: Support for implementation, dispute settlement, illicit trafficking and ratification of the Convention.

5- Item of expenditure	2004
Staff costs	84 264
Consultants	5 500
Official travel	5 000
Sub-contracts	0
Conference services	0
Participant travel	0
Training (Participant travel to workshops)	0
Equipment and premises	3 000
Miscellaneous	6 750
Subtotal	104 514
