



ANNUAL REPORT - 2004

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Introduction

The chemical pollution of humans, wildlife and ecosystems is a serious threat to both existing and future generations. All biological life on Earth is now contaminated with a range of persistent and bio-accumulating substances. The consequences for health and environment are for the most part unknown, but history provides us with numerous examples of devastating effects; mercury, lead, dioxins, and PCBs are just a few examples. With around 70 000 chemicals in use - and with almost no knowledge about their toxic properties or effects - future toxic crisis are just waiting to happen.

Current chemical policies around the world, nationally as well as internationally, generally fail to deal with the sizeable toxic threats. The policies were established at a time when chemicals were seen as primarily protecting workers from the effects of a small number of well known chemicals. They were never designed to deal with the complex problems and threats that we face today. New strategies and regulations are badly needed to meet the challenges.

The international Chemical Secretariat (Chemsec) was founded in December 2002. Its role is to catalyze the transition towards genuine and efficient toxic use reduction. Measures will have to involve a radical shift in minds and practices for most stakeholders; industry, consumers, research and development, politicians, civil servants, etc. Guiding are the principles of *Precaution*, *Substitution*, *Polluter Pays*, and *Right-to-know*. A real and lasting transition to a toxic-free environment will not occur without broad understanding and support of these principles. The main strategies of Chemsec are defined by the bylaws:

- "... to promote environmental and health protection by
- monitoring, influencing and providing information about the development of EU and other international policies regarding chemicals, from an environmental and health perspective,
 - functioning as a resource and support in issues relating to chemicals, chiefly for those organisations that stand behind the Association,
 - encouraging and urging foreign and international trade organisations, companies, research bodies and civil society to take a greater interest in the environmental and health aspects of chemicals."

Over the two years of operations, Chemsec has gained wide recognition among NGOs, governments and other stakeholders. The Swedish Minister of Environment recently stated - when announcing the Government's financial support for 2005 - that Chemsec "has become an important cornerstone of the Swedish work on chemicals within EU and globally".

During 2004, Chemsec's work has been focused on two main issues:

- The ongoing reform of EU's chemical regulation presents an opportunity to attain precedence in international lawmaking, a blueprint for other regions of the world. REACH was therefore a major engagement for Chemsec in 2004. Work continued to strengthen the proposal during the political process in parliament and council.
- The strong opposition from chemical producers must be counterbalanced by other industry sectors working in favour of reform. The goal is achieve a major shift in how industry is seen in the debate: as victims of winners from a legislative reform. Chemsec works to establish a group of business leaders that actively promote necessary legal reforms.

These two issues made up the bulk of Chemsec's work. Other areas where Chemsec were active were:

- On global level, The Stockholm POP Convention serves as precedence for globally binding agreements on chemical control. The convention went into force in 2004. In parallel, The UNEP initiated "Strategic approach to International Chemical Management (SAICM), can possibly evolve into some important general agreements on chemicals control - also on global level. Chemsec monitors the development of both these processes, and builds networks for future involvement.
- NGO capacity building. NGOs have high credibility among public and decision makers, but need assistance in building strategies, training, and coordination between themselves. Chemsec works actively to strengthen NGO power and influence by providing such tools.

Göteborg in March 2005

Per Rosander,
Director

Description of Projects 2004

Project 1: "Making EU a forerunner"

The ongoing reform of EU's chemical regulation (called REACH) presents an opportunity to attain precedence in international lawmaking, a blueprint for other regions of the world. While there are major shortcomings in the present draft, the process still represent a window of opportunity, and REACH has developed to a major issue for Chemsec

In 2001, the European Commission published a "White Paper for a future Chemicals Policy" which outlined the foundations of a new approach of chemical control, REACH. Environmental NGOs both in Europe and US have for numerous years actively campaigned for a strong REACH legislation. Chemsec are much involved in this work from it start, collaborating closely with i e WWF and the European Environmental Bureau (EEB) in Brussels.

The REACH system puts costs and responsibility towards producers and importers of chemicals as they will have to prove that a chemical is safe before it is put on the market. The chemical industry has responded by orchestrating a massive campaign against REACH. As a result, serious and significant deficits have appeared in the proposal made by the Commission in October 2003. Despite these changes, the basic framework and principles for the REACH proposal remain mostly intact and Chemsec has therefore focused on the reintroduction of these lost parts.

The debate about the new legislation proceeded throughout 2004. Chemsec has been involved in numerous meetings and conferences, presenting the basics of REACH, and crucial amendments to improve the content. To increase the focus on needed improvements, Chemsec launched the concept of "**REACH Plus**" in summer 04, sharpening key amendments into five sectors (which is described on our website). The "REACH Plus" concept is intended to move the debate towards a more progressive discussion. "REACH Plus" is presented in three different languages - English, French and German.

A **REACH seminar** was organised in Brussels 25 February, in cooperation with MEPs Anders Wijkman and Jonas Sjöstedt, and the Swedish Permanent Representation. Four Swedish business actors; AB Volvo, Skanska, Electrolux, and Swedish Federation of Construction Industries; gave presentations at this event, all expressing support to REACH. The effect was very positive. Several EU parliamentarians described this as the first time they had heard "industry positively about REACH"

Another positive result was that NCC, one of the larger construction firms in Scandinavia, in relation to the seminar sent letters to European Parliamentarians and the member state representations, urging them to strengthen REACH.

The chemical manufacturers continued to push for further weakening of REACH throughout 2004, They however met a more sceptical opinion, with the credibility of arguments more frequently questioned. Chemsec collaborated with WWF to write a report called "**Cry Wolf**", which examines previous estimates over legislative compliance, done by industry. The study shows that industry is systematically over-estimating costs - and methodically under-estimate the benefits - of legislations. The report was released at a joint WWF/Chemsec press event in Brussels in April.

In an effort to further reveal the financial consequences of REACH, Chemsec assisted in setting up a cost/benefit study, "**The True Costs of REACH**". The study was done by economists Frank Ackerman and Rachel Massey, Tufts University, Boston, The study was ordered and financed by the Nordic Council. Presented by Ackerman at a Nordic Council seminar in European Parliament on 13 October, the study concludes that costs for industry would be somewhat higher that predicted by the Commission, but still clearly affordable to industry. The environmental ministers of Denmark and Sweden reinforced the conclusion of the study at the seminar.

Chemsec has also continued to produce materials intended to make it easier for NGOs and industry to involve in the debate. The "REACH pocket", a reprint of the legislative texts are spread widely in four languages (English, Spanish, French, German). In September, an interactive web tool was launched with three components; "**REACH explained**", "**REACH Impacts**" and "REACH Plus". This tool is now available in three languages, English, French and German.

German REACH project: A special effort is done in Germany, a country that plays a crucial role in the chemical policy debate in EU, because of its large chemical industry but also general political significance in the EU politics. This part of our work is financed by the German Environmental Protection Agency (UBA), started in August 04 and continues until April 2005. A start up meeting with stakeholders (UBA, ministry, consultants, researchers, and NGOs) were held by Chemsec in Frankfurt on 7 October. As part of the German project, all relevant materials were translated into German language, and a German language website was introduced. A questionnaire was sent out to companies and through newsletters to investigate German industry's views on REACH and chemical control. A consultant was hired to work part time for Chemsec, to contact and engage companies towards our project's goals. The result of the project will be reported in April 2005.

Further, information materials targeting specific groups, such as health care professionals, were produced together with Heath Care Without Harm.

Project 2: "Progressive Business Leading Way"

A major challenge for the NGO community is to broaden the support for precautionary approaches and effective legislation. The strong opposition from chemical producers needs to be counterbalanced by other industry sectors working in favour of reform. The project's goal is to achieve a major shift in how industry is seen in the debate: from victims to winners of a legislative reform. Ultimately, a group of influence business leaders should actively promote necessary reforms.

Industry is an extremely influential force in political policymaking. This has been clearly demonstrated e.g during the ongoing REACH process in EU. The prevalent view among politicians and others is that industry finds chemical regulations ineffective, burdensome and a threat to their profits.

The reality is that large sectors of industry would gain from stricter chemicals legislation since it would reduce economic risks, create a more equal playing field, and favour public and consumer relations. This view, however, is very seldom articulated in the debate. Many obstacles exist before we can get an industry to fully engage in support of stricter legislation.

To change this view on industry as only an opponent to legislation would be a critical achievement towards legislative improvements, Chemsec work for an active involvement of "progressive business" into the e.g REACH debate. Already from the start in 2003, it was evident that the knowledge about REACH was low - even within large chemical users. When realizing that legislation could reduce the risk for future problems (including liabilities), the benefit of supporting REACH became clear to many of these companies. After creating a trustful dialogue with a limited number of companies, we arranged **seminars and meetings** between these and decision makers in Brussels, in early 2004 and onwards.

During the second half of 2004, much work was done to involve companies in the production of a **anthology** called "**What we need from REACH**". All together eight companies/associations contributes with one chapter each arguing for a stronger REACH: retailers H&M, Marks&Spencer, and Boots; construction company NCC; household appliances manufacturer Electrolux, The Coalition of European Trade Unions (ETUC), European Water Supply and treatment organization (EUREAU), and European Consumer Cooperation Assoc., Euro-COOP. A common denominator is that companies see large benefits in the introduction of stricter legislation. The report will be published in January 2005

Two years of project work has resulted in numerous large companies and associations taking active part in defending REACH. This has caused a partial and significant change in how industry is perceived in relation to REACH. Much work remains, however, to promote and safeguard more

advancement, towards "Industries for REACH". The risk remains that REACH will lose more of its content, as the pressure from chemical producers gears up during the final round of REACH debate. As part of this project, companies were also invited to a one day seminar, to discuss their work to develop safer products and the role of chemicals legislation in relation to this. The seminar will be held in Gothenburg in February 2005.

Project 3: Global strategies

On global level, The Stockholm Convention - which entered into force in May 2004 -, is a good precedence for globally binding agreements. Much work will however be needed by NGOs to secure implementation of the agreement. In parallel, UNEP is developing a "Strategic approach to International Chemical Management (SAICM), a process that possibly could evolve into a general control system for chemicals on a global level.

Chemsec participated in the second meeting of SAICM, which took place in Nairobi in October 2004. Chemsec and WECF (Netherlands) shared cost for sending a participant to the meeting. The meeting was generally seen by NGOs as fruitful. In particular, NGOs collaborated successfully with nations from the developing world to demand financial support from developed countries to introduce better chemicals control. Follow up strategies are now discussed with IPEN, International POP elimination network. Chemsec is member of the steering committee of IPEN, and in this role engaged in discussing NGOs global strategies for chemical control.

Project 4: "Strengthen NGO capacity"

The politics around chemical control involves many stakeholders, but the resources backing them up are quite different. It is crucial that citizen groups, such as environmental NGOs are supported and trained to deal actively with the issues. NGOs have high credibility among the public and decision makers, but need assistance in building strategies, training, and coordination between themselves. Chemsec wants to strengthen NGO influence by helping to provide such tools.

A two day **planning workshop** was held 13-14 September in Bohuslän (Ulvesund) with the Board and member organisations participating. Brainstorms as well as more framed discussions were held, to closer define the role of Chemsec, as well as how the secretariat can support the Chemicals work in the member organisations.

Chemsec was also engaged in planning for a **US/Europe NGO workshop**, to be held in Sweden in February 2005. The meeting is a cooperation with Clean Production Action in US, and is financed by the US based *Panta Rhea Foundation*.

During 2004, Chemsec maintained membership of the following networks:

- European Environmental Bureau (EEB)
- Health Care Without Harm Europe (HCWH)
- International POPs Elimination Network (IPEN), member of IPEN Steering Committee

Event list

Examples of Chemsec participation and presentations during 2004

14 Jan	Meeting with German Ministry of Environment	Bonn
21Jan	Meeting with UK Ministry of Environment (Defra)	London
21-22 Jan	Participation in WWF Toxics campaign meeting	London
11 Feb	Meeting w. SME associations: Svensk Handel, IT- and Teknik-företagen	Stockholm
17 Feb	Presentation at REACH conf, arr. by Polish Government	Warsaw
19 Feb	Presentation at public meeting arranged by SNF Göteborg	Gothenburg
25 Feb	Arranging seminar for Nordic MEPs, with Swedish Representation	Brussels
3 March	Presentation for staff at Swedish Chemical Inspectorate	Stockholm
3-4 Apr	EU/USA Transatlantic meeting on Chemicals	Washington
9 Mar	Chemsec Board meeting	Göteborg
25-26 Mar	EEB conference, European Parliament	Brussels
4 Apr	REACH-Hearing, NUTEK	Stockholm
4-7 Oct	Participation, SAICM PrepCom2	Nairobi
22 Apr	Press conference: Release of "Cry Wolf" with WWF	Brussels
5-7 May	Presentation at IPEN Workshop on POPs and REACH	Prague
12 May	Presentation at REACH conference, Arr: Det Ekologiske Råd	Copenhagen
25 May	Chemsec Annual General Meeting	Göteborg
9 June	Meeting with Austrian Construction Federation	Vienna
13-14 Sept	Chemsec Members' workshop / planning meeting	Ulvesund
30 Sept	Presentation, REACH conference, org. by ISTAD and Spanish Govn't	Madrid
4-7 Oct	Participation, SAICM PrepCom2	Nairobi
5 Oct	Moderating REACH seminar, at "Ecology 04"	Göteborg
7 Oct	Chemsec workshop for German REACH project	Frankfurt
8 Oct	Participation, CleanMed Conference & HCWH annual meeting	Vienna
13 Oct	Participation, Nordic Council's REACH seminar in European Parliament	Brussels
18 Oct	Presentation at "REACH Court", arranged by Dansk Naturfredningsforening	Copenhagen
22 Oct	Board Meeting	Stockholm
2-4 Dec	Participation, Alternatives Assessment conference, Univ. of Mass	Lowell, MA, USA
9-10 Dec	Participation, NGO conference on chemical policy	Seattle

Publications

Examples of publications:

- *"REACH-pocket"*, Reprint of legislative proposal. A5, 200 pages (English, German, French, Spanish version, reprints throughout the year)
- Fact sheet: *Questions & Answers about REACH*, 4 pages (German and English)
- Fact sheet: *REACH - What does it Cost?*, 4 pages (German and English)
- *"Cry Wolf - Predicted Costs by industry in the face of new regulations"*, Report 6/04 (April)
- *"REACH Explained"*, *"REACH Impacts"*, *"REACH Plus"*: Interactive information tool (Sept)
- Fact sheet: *"Protecting our patient's health"*, joint production with HCWH Europe (Oct)
- *Newsletter*. Four issues were distributed during 2004. The newsletter is sent to around 150 contacts within, NGOs, industry, authorities and governments.

Board

The board has met four times and has consisted of four persons, one from each member organisation:

Board, 1 Jan - 25 May, 2004:

Mikael Karlsson, Swedish Society for Nature Conservation (Chairman)
Karl Krook, Friends of the Earth Sweden
Lennart Henriksson, WWF Sweden
Maria Brandt, Fältbiologerna

Deputy members:

Mona Blomdin-Persson, Swedish Society for Nature Conservation
Martina Löfstedt, Friends of the Earth Sweden
Lars Kristoferson, WWF Sweden
(Fältbiologerna position vacant)

Board, 25 May - 31 Dec, 2004:

Karl Krook, Friends of the Earth Sweden, Chairman
Mikael Karlsson, Swedish Society for Nature Conservation
Lennart Henriksson, WWF Sweden
Maria Brandt, Fältbiologerna

Deputy members:

Mona Blomdin-Persson, Swedish Society for Nature Conservation
Martina Löfstedt, Friends of the Earth Sweden
Lars Kristoferson, WWF Sweden
(Fältbiologerna position vacant)

Administration and Staff

The office of Chemsec is located at Norra Allégatan in Göteborg in conjunction with Swedish Society for Nature Conservation (SSNC) in Göteborg.

The core staff group consists of 2.5 positions. Per Rosander (Director), Anne-Sofie Andersson (full time). Mats Knapp (Half time) Extra personnel was hired for project work and administrative work at special occasions.

Funding

Revenues during 2004 amounted to approx. 2.3 million SEK. The major funding source was a 2 million SEK grant from the Swedish Government received in April. 113 000 SEK was received in fall by the German EPA (UBA) with the purpose of informing German industry about REACH. This was part of a larger project support from UBA that will continue until spring 2005. Further, 80 000 SEK was received from SSNC in September (originating from Swedish EPA for international work by Swedish NGOs). Support was also received from WWF (32 000 SEK) and Greenpeace International (11 000 SEK) for production of reports.