



INTERNATIONAL

Annual Report 2007

ChemSec

CHEMICAL SECRETARIAT

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# Introduction

In 2007 climate change became the most discussed environmental issue on the political agenda. However, too little attention has been given the chemical problems linked to climate change. Climate change will lead to different patterns of pesticide uses hence exposing pristine ecosystems to hazardous chemicals. Taken together with increasing consumption we are facing a tremendous problem with increasing use of hazardous chemicals in society. This makes the International Chemical Secretariat (ChemSec) and all other stakeholders work on chemicals even more important and encourage us to continue influencing chemical policies.

The overall objective of ChemSec is an environment free from toxic chemicals. We are striving to reach broad acceptance and participation in society for Precaution, Substitution, Polluter Pays, and Right-to-know as leading principles towards the goal. Our work spans seminars, workshops, booklets and talks, all geared towards informing and enlightening public debate on the necessary steps towards a toxic free environment.

In the European Union the new chemical law REACH entered into force in 2007. Ever since REACH was agreed upon, many environmental NGOs in EU have reduced their chemical work which makes ChemSecs work even more important. Many issues under REACH are not yet solved and continue to require our attention. In 2007 we started to work

with one of our biggest projects ever; the REACH NGO Priority List project. In collaboration with NGOs in Europe and USA ChemSec is developing an REACH NGO Priority List to kick-start the REACH Authorisation process, fast-track the most urgent Substances of Very High Concern for substitution, and to facilitate toxic use reduction by businesses. Watch out for the release at the third quarter of 2008!

ChemSec promotes the active engagement of forward-looking businesses to substitute the hazardous chemicals they use. This year, we have broadened our cooperation with progressive companies and they have contributed to, and focused their work on, the above mentioned List project.

On the global agenda, SAICM has been our focal point. One major event for ChemSec during 2007 was the arrangement of a week-long workshop, ChemSec college, with NGOs from Russia, Belarus and Ukraine. The aim of the workshop was to obtain knowledge on and find solutions and new ideas for tackling important chemical problems such as SAICM and chemical stockpiles in these three countries.

These issues made up the bulk of ChemSec's work in 2007 and are elaborated further in this annual report.

Have a nice reading!

*Anne-Sofie Andersson, Director  
Gothenburg, Sweden February 2008*

## Projects 2007

### › PROJECT 1: "REACH IMPLEMENTATION"

*In December 2006 The European Parliament and the Council approved the new EU policy on Chemicals, called REACH. This new regulation entered into force in all 27 member states of the EU on June 1 2007. Now when this regulation was finally in place, ChemSec decided it was crucial to ensure a proper implementation of the same. When addressing Substances of Very High Concern (SVHCs) and the authorisation/restriction procedures, ChemSec targeted the very core of REACH: Removal of hazardous substances from the market and substituting them with less hazardous alternatives.*

In June 2009, the European Commission will publish a candidate list of substances of very high concern which must go through the Authorisation procedure. The establishment of this official candidate list is very important since once a substance has been placed there, this gives consumers the right to know whether those chemicals are present in the articles they buy.

However, the criteria in the legal text are both weak and vague and the slow start of this official candidate list will make the process even slower. Therefore, in order to influence the authorisation process, ChemSec in cooperation with major EU and US NGOs started the REACH NGO Priority List project. The aim of this list is to influence the Commission in their work on developing the official candidate list, but also to help NGOs in- and outside of the European Union in their work of reducing hazardous chemicals, hence preventing the use of double standards.

In this project we have targeted substances of very high concern as defined by the criteria laid down in REACH and we have succeeded in compiling a list of more than 250 substances, including numerous known carcinogenic, mutagenic, persistent and endocrine disrupting chemicals. To be able to reach this number of substances ChemSec hired a team of skilled researchers and toxicologists to gather the best available information found globally on over 4000 substances being potential candidates for inclusion on our list. These 4000 substances were subsequently checked against several different screening criteria and finally assessed by toxicologists

whether they fulfil the REACH criteria. The resulting substances are divided into three categories:

1. Classified CMRs (Carcinogenic, Mutagenic or toxic for Reproduction)
2. PBTs (Persistent, Bioaccumulative and Toxic)
3. Equivalent level of concern substances (Endocrine disruptors)

A large effort have been laid down in order to access reliable information and to generate clear and easily understandable assessments. The database containing all raw data and assessments apply the same structure as the European Chemicals Agency (ECHA) will use in the future hence making it easily accessible for authorities and companies.

In order to produce valid and relevant results, ChemSec have been in frequent contact with scientists, NGOs and progressive businesses to get as many point of views as possible. Scientists have performed the evaluation of the substances to assess whether they are to be considered as SVHCs. In the beginning of the year ChemSec initiated contacts with cooperating NGOs by attending meetings and presenting the idea of an REACH NGO list containing SVHC. The NGOs involved (BEUC, CIEL, EEB, FoEE, HEAL, Greenpeace, ISTAS, WECF & WWF) formed an advisory committee providing input to the project. ChemSec has been the convener of three advisory committee meetings in Brussels with the cooperating NGOs present. In this project we have also brought on board progressive companies that want to be ahead of the legislation and at the same time are looking for guidance on how to go through with substitution of hazardous chemicals. In December on a joint event with the "Progressive Business leading the way" ChemSec hosted a meeting in Stockholm for progressive companies taking active part in the REACH NGO Priority List project.

In 2008 the list will be further developed, more information added and it will finally be officially launched in the second quarter of 2008.

In addition to the work laid down within the REACH NGO Priority List project, ChemSec have had an expert placed on the management board of ECHA, in cooperation with other European NGOs. The task of this person has been to closely follow the work of ECHA and to influence the development of this new European authority.

## › PROJECT 2: "BUSINESS LEADING THE WAY"

*ChemSec has within this project set up a ChemSec Business Group of progressive multinationals to discuss and promote reduced use of hazardous chemicals. The aim of the project is to make progressive companies go further in the phase out of hazardous substances while publicly supporting stricter chemicals regulation. Furthermore, we want to advance the view that industry stands to gain from reform and to promote the active engagement of business leaders in supporting progressive measures to eliminate the use of toxic chemicals.*

*To a large extent, the ChemSec Business work 2005-2006 was evolving around the development of REACH, the new EU chemicals regulation. As the regulation was agreed upon in December 2006, we shifted our focus in the business involvement to implementation of REACH.*

2007 was the year that REACH, the EU chemicals regulation, entered into force. During the 3 year legislative process leading up to REACH, the issue received attention mainly from industries high up the chemicals supply chain. As the law entered into force however, companies all along the supply chain, all the way down to end-users and producers of everyday consumer products such as clothing, electronics, sports apparel etc realised that they might have to prepare for provisions in the new regulation.

Furthermore, as REACH is only phased in gradually over a number of years, and many decisions are still left open to regulators at EU and member state level, implementation of REACH is in many ways still an open process. It is e.g. not yet decided exactly what substances will be identified and classified as Substances of Very High Concern, and hence be subject to Authorisation.

Against this background, ChemSec decided to focus its Business activities towards strengthening and supporting the establishment of a REACH NGO Priority List of Substances of Very High Concern, developed under the Listproject.

As well as being a tool to influence the implementation of the Authorisation provisions in REACH, the List will also provide guidance to companies aiming at early preparation for the phase-out of hazardous chemicals.

A company input to the Listproject provides additional credibility to the List, and the companies in the ChemSec Business Group are useful partners to discuss the development of the List with, regarding focus as well as content.

In 2007, ChemSec organised two meetings with the companies in the ChemSec Business group. At a meeting in April in Stockholm, REACH implementation was discussed, as well as the NGO Priority List to be developed. The companies present showed great interest in the List, and expressed a wish to be involved in the process.

At the Business Group meeting in December in Stockholm, the List was further discussed, as well as ideas around the Launch of the List. In addition, way of involving the companies in the Launch was discussed, as well as ideas on how the companies could provide examples, specific or general, on how they deal with challenges and solve problems surrounding the substitution of hazardous chemicals.

During 2007, the Business Group has grown, and a sense of belonging to a group is developing among the companies. This positive feeling is clearly felt at the meetings of the group, and also translates to the contribution of the individual companies to activities of the group.

At present, the group is made up of some 12 companies, as compared to 6 in the beginning of 2006.

ChemSec aims at organising a large Substitution Conference in connection with the Launch of the NGO Priority List in May 2008. The companies in the Business Group will actively take part in this conference. Furthermore, the companies will contribute to the conference by way of providing case-studies discussed at the meetings in 2007, as ways forward in dealing with Substitution issues.

### › PROJECT 3: "REACH OUT"

*Governments have through the adoption of SAICM, the Strategic Approach to International Chemicals Management, in 2006 committed themselves to fulfill the WSSD goal: By 2020, chemicals are produced and used in ways that minimize significant adverse impacts on human health and the environment. However, SAICM does not consist of any concrete measures. Nevertheless, ChemSec consider that SAICM is an important step towards a toxic free future. The new EU chemical legislation, REACH can deliver useful information and incitement for stricter chemical legislations and global agreements such as SAICM. We are using our experiences from the REACH process to work together with and support NGOs globally in order to achieve real and lasting change.*

We think it is important to work on both the international level as well as on local level. Therefore we have on the one hand participated at the SAICM regional meetings and on the other hand we have arranged an NGO training workshop. We are attending the regional SAICM meetings to supervise that the development of SAICM do not get blocked through procedure discussions and to convince the donor countries to really provide financial support.

The ChemSec College, an NGO training workshop, was arranged by ChemSec, in collaboration with the environmental organisations Environmental Group FRI from Belarus, and EcoAccord from Russia, and Mama- 86 from Ukraine. The workshop took place in Stockholm during five days in December and is the greatest event ChemSec has arranged so far.

The idea of a workshop in Sweden was launched by the partner organisations after they had identified needs for capacity building for NGOs working for safer chemicals management in Russia, Ukraine and Belarus. Therefore focus was national chemicals regulation in relation to SAICM (the international policy framework; Strategic Approach to International Chemicals Management) and REACH

(the new EU-legislation; Registration, Evaluation, Authorisation and Restriction of Chemicals) as well as solutions to the hazards of leaking obsolete chemicals found in storages all over the three countries. The aim was to give an opportunity for NGO representatives from Belarus, Russia, Sweden, and Ukraine to share experiences and deepen their knowledge in chemicals safety and enhance their capacity to work for a toxic free environment.

At the End of the workshop concrete ideas and strategies for NGOs actions were developed such as developing information material for workers exposed to hazardous chemicals at their workplace. One concrete idea was to publish a guidance book for municipalities, to be used at the community level to educate on chemical management issues. Furthermore, suggestion was made to conduct a mapping of environmentally contaminated sites and the related health impacts. Another activity will be to prepare guidelines on waste management for workers in small enterprises generating hazardous waste. One option that came up was in cooperation with the secretariats of the Basel-, Rotterdam-, and Stockholm conventions, set up a list of cases and companies which are involved in illegal transboundary waste transfer.

Further, ChemSec attended a meeting in Tanzania arranged by the NGO AGENDA to develop a strategy and write a funding proposal for a SAICM implementation project in Tanzania, Uganda and Kenya. The proposal will be forwarded to UNITAR in March 2008.

In addition, ChemSec is a member of IPEN (International POPs Elimination Network), which gives us access to a wide network of more than 400 NGOs active on chemicals safety. In 2007 ChemSec's director Anne-Sofie Andersson was elected as a member of the steering committee of IPEN. IPEN works for the global elimination of persistent organic pollutants and for increased participation of NGOs in the global implementation of SAICM.

In 2008 ChemSec will continue working with the implementation of SAICM.

## › PROJECT 4: "CAPACITY BUILDING SUPPORT TO NGOS IN THE GLOBAL SOUTH AND EASTERN EUROPE" Length of project: 2,5 years (2007 – June 2009)

*The goal of this project is to help reducing poverty and the problems related to hazardous industrial chemicals through financial support aimed at strengthening the capacity of environmental NGOs in the Global South and Eastern Europe, with a primary focus on NGOs in Africa. The project should also contribute to establish new partnerships and collaboration with environmental NGOs.*

The funding for this project was made available when the Swedish Government decided to increase environmental aid and channel part of this funding through the Swedish Chemicals Agency. In late 2006 support to a chemicals programme, for distribution of financial support to NGO projects, amounting to 7,8 million SEK was approved. The programme runs over a period of 2,5 years and is implemented in close collaboration with the Swedish Society for Nature Conservation (SSNC). The SSNC are the formal owner of the programme and the financial support to NGOs are channelled through SSNC. But the responsibility and tasks within the programme are shared equally between ChemSec and SSNC.

Being a two-year project the focus during 2007 was to start up the project and establish the first 8 partnerships with African NGOs working on issues related to industrial chemicals. Many supported projects aim at raising awareness on the hazards of chemicals and activities to map existing policies and legislation and their actual implementation.

### SUPPORTED PROJECTS AIM AT:

- ▶ Reduce environmental mercury pollution from artisanal gold mining in Tanzania
- ▶ Prevent and reduce hazards from chemicals used in textile and tanning industry in Tanzania
- ▶ Introduce methods for safer chemicals management and safer products to small- and medium businesses in Nairobi, Kenya.
- ▶ Stop pollution by chemicals used in tanning and metal industry in Dar es Salaam, Tanzania
- ▶ Raise awareness on the effects from the mismanagement of industrial chemicals in Uganda
- ▶ Increase awareness of hazards related to chemicals in products used in beauty saloons, Cameroon

- ▶ Stop usage of PCB and establish storages for obsolete PCB containing equipment, Togo
- ▶ Raise awareness among the public and industrial workers about the dangers from persistent organic pollutants (POPs) and their effects on the health of women and children, Uganda

The project contributed to increase the public's participation and influence in international meetings related to chemicals safety through supporting NGO participation. One example was a regional workshop on SAICM and chemicals management in Zambia arranged by the Basel centre where NGO participation was not budgeted for. Support was provided for travels and related costs and made it possible for NGO delegates from Kenya, Tanzania and Uganda to share and enhance their knowledge and make contacts to authorities and other important stakeholders in their countries.

Travel support enabled NGO participation at:

- ▶ COP 3 of the Stockholm Convention, Dakar, Senegal, May 2007
- ▶ Regional Workshop to promote a non-toxic environment in Africa, Lusaka, Oct 2007
- ▶ Open Ended Working Group on Mercury + EEB NGO meeting, Bangkok, Thailand, Nov 2007

A large part of the programme funding was distributed directly to the International POPs Elimination Network (IPEN) to support their work as a network for more than 400 NGOs globally working on chemicals issues. The funding enabled IPEN to build capacity among NGOs in China as well as carrying out large inventory of the needs, capacity and priorities of the member organisations. The result of this inventory will be used to focus capacity building efforts during 2008.

The timeline of the projects supported during 2007 spans until the middle of 2008. During 2008 the support to NGO projects will be intensified and we look forward to many new partnerships with African NGOs working on industrial chemicals. The impact of the chemicals programme will be assessed at the beginning of 2009.

## ChemSec Participation in Meetings 2007

Examples of ChemSec participation in and presentations at meetings during 2007

5- 6 Feb	WWF Toxic meeting	Rome, Italy
29 Mar	Speech at Malmö University hospital	Malmö, Sweden
25 April	Conference, Sustainability Day	Stockholm, Sweden
26 Apr	ChemSec Business Group. Discussion on REACH implications, Substitution of hazardous chemicals in consumer products, the NGO Priority List,	Stockholm, Sweden
7-9 May	NGO meeting on SAICM implementation in East Africa	Bagamoyo, Tanzania
10-11 May	Meetings with NGOs from Kenya, Tanzania and Uganda	Dar es Salaam, Tanzania Kampala, Uganda
31 May – 1 June	EEB meeting. Discussion on NGO Priority List	Brussels, Belgium
12 Jun	SAICM regional meeting	Paris, France
10 Jul	Meeting with Sara Lee, on participation in ChemSec Business Group	Amsterdam, the Netherlands
23 Aug	Adv. Committee meeting. Discussion on development of NGO Priority List	Brussels, Belgium
20-21 Sep	REACH-Out Conference organised by CIEL, USA on REACH beyond the EU	San Francisco, USA
9 Oct	Adv. Committee meeting. Discussion on development of NGO Priority List	Brussels, Belgium
16-17 Oct	NGO meeting on preparations for NGO training on chemicals safety	Minsk, Belarus
26 Nov	Meeting with CIEL and NET on US involvement in NGO Priority List project	Washington, USA
29-30 Nov	CPA NGO Business meeting. Ways forward for US companies in substitution of hazardous chemicals, introduction of biomaterials, waste-issues	San Francisco, USA

*Nardono Nimpuno from ChemSec held a presentation on REACH at the ChemSec College – an NGO training workshop on chemicals safety with participants from Belarus, Ukraine and Russia, in Stockholm, December 2007.*

*Ukrainian NGOs working on chemicals safety issues posing together with Ingrid Westerfors, organizer of the ChemSec College in Stockholm, December 2007.*





2-6 Dec	ChemSec College: NGO training workshop on chemicals safety with participants from Belarus, Russia, Sweden and Ukraine	Stockholm, Sweden
11-12 Dec	ChemSec Business Group. Discussion on Substitution of hazardous chemicals in consumer products, the NGO Priority List, upcoming ChemSec Substitution Conference	Stockholm, Sweden
13-14 Dec	EEB meeting Nanotechnology and Chemicals. Presentation held by ChemSec presenting the list project.	Brussels, Belgium
17 Dec	Adv. Committee meeting. Discussion on development of NGO Priority List	Brussels, Belgium

*Anne-Sofie Andersson and Nardono Nimpuno from ChemSec participating in the September 2007 REACH-Out conference organised by CIEL, in San Francisco, USA*

*Progressive Business ChemSec Business Group. Nardono Nimpuno and Jerker Lighthart from ChemSec organized a meeting in Stockholm, December 2007, to discuss the NGO Priority List and activities of the Business Group, such as the up-coming Substitution Conference and the Substitution Report under development*



## Board and Office

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

### BOARD, 1 JAN – 22 MAY, 2007:

- Mikael Karlsson, *Swedish Society for Nature Conservation (Chairman)*
- Lasse Gustavsson, *WWF Sweden*
- Karl Krook, *Friends of the Earth Sweden*
- Jonas Forsberg, *Fältbiologerna (Nature and Youth Sweden)*

### SUBSTITUTE MEMBERS:

- Hans Berglund, *WWF Sweden*
- Martina Löfstedt, *Friends of the Earth Sweden*
- Maria Brandt, *Fältbiologerna (Nature and Youth Sweden)*

### BOARD, 22 MAY - 31 DEC, 2007:

- Karl Krook, *Friends of the Earth Sweden (Chairman)*
- Hans Berglund, *WWF Sweden*
- Gun Rudquist, *Swedish Society for Nature Conservation*
- Sofi Holmin Fridell, *Fältbiologerna (Nature and Youth Sweden)*

### SUBSTITUTE MEMBERS:

- Mikael Karlsson, *Swedish Society for Nature Conservation*
- Lennart Henriksson, *WWF Sweden*
- Martina Löfstedt, *Friends of the Earth Sweden*

### STAFF

In 2007 Anne-Sofie Andersson was appointed as director. During the first half year the secretariat had three employees, however during the second half of the year the staff was extended to consist of five regular persons. In addition, ChemSec has hired consultants such as toxicologists and other experts.

# Financial Report

FINANCIAL STATEMENT	Note	2007	2006
OPERATING REVENUES	1		
Total income		4 513 815	3 912 763
TOTAL OPERATING REVENUES		4 513 815	3 912 763
OPERATING EXPENSES	2		
Total costs		-4 059 191	-4 088 055
<b>TOTAL OPERATING EXPENSES</b>		<b>-4 059 191</b>	<b>-4 088 055</b>
Operating result		454 624	-175 292
RESULT FROM FINANCIAL INVESTMENTS			
Income of interest		606	177
Other financial income		68 183	20 523
Cost of interest		0	-65
Other financial costs		-13 790	-9 609
<b>Total</b>		<b>54 999</b>	<b>11 026</b>
PROFIT/LOSS AFTER FINANCIAL ITEMS		509 623	-164 266
<b>NET PROFIT/LOSS FOR THE YEAR</b>		<b>509 623</b>	<b>-164 266</b>
NOTE 1 OPERATING REVENUES		2007	
Grant Greenpeace		178 582	
Grant cooperation SSNC		206 596	
Grant John Merck Fund		244 038	
Grant Sigrid Rausing Trust		369 773	
Grant Swedish Government, Sweden		3 500 000	
Other reimbursement (publications, lectures etc)		14 826	
<b>Total</b>		<b>4 513 815</b>	
NOTE 2 OPERATING EXPENSES		2007	
Salaries and other staff costs		2 331 830	
Travel costs/meals and accommodation		362 242	
Conferences/Events		167 464	
Consultants		886 749	
Premises (rent, telephones, internet etc)		159 563	
Publications		31 127	
Other external costs		120 216	
<b>Total</b>		<b>4 059 191</b>	

# Financial Statement

## BALANCE SHEET

Note

31 Dec 2007

31 Dec 2006

### ASSETS

Possessions	35 354	49 144
Short-term claims		
Accounts receivable	0	1 276
Other claims	25 920	23 220
Interim claims	1 819	15 536
Cash and bank	475 093	294 522
Interest bearing account	1 284 339	716 156
<b>Total</b>	<b>1 822 525</b>	<b>1 099 854</b>
<b>TOTAL ASSETS</b>	<b>1 822 525</b>	<b>1 099 854</b>

### DEBTS AND ASSETS

	07-12-31	06-12-31
Debts and assets		
Balanced profit/loss	624 960	835 775
Result from previous year	-156 252	-210 815
Current year result	509 623	-156 252
<b>Total</b>	<b>978 331</b>	<b>468 708</b>

### SHORT TERM DEBTS

Debts to suppliers	335 134	25 965
Tax at source of employees	48 306	36 407
Accrued social security charges	52 210	31 116
Accrued special salary tax	130 867	96 748
Other short-term debts	388	0
Accrued expenses	277 289	440 910
<b>Total</b>	<b>844 194</b>	<b>631 146</b>
<b>TOTAL DEBTS AND ASSETS</b>	<b>1 822 525</b>	<b>1 099 854</b>

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