



2012-2013 SECRETARIAT FINANCIAL REPORT

At the beginning of 2012, IPPC resources (including salaries) totaled approximately \$5,530,000 of which approximately 53 percent were funds from the FAO regular programme. Removing fixed salary allocations out of the mix, the total contribution to the IPPC from the FAO regular programme is \$1,435,771, which represents approximately 36 percent of the IPPC's total operation budget.

The next largest component of funding for the IPPC is the IPPC Trust Fund which represents roughly 28 percent of the total budget. The European Union, through generous donations to two specific trust funds (for developing country participation and the implementation review and support system) provides a substantial amount of the of the total annual budget of approximately \$3,927,000 for 2012. This information is expressed in figure 1.

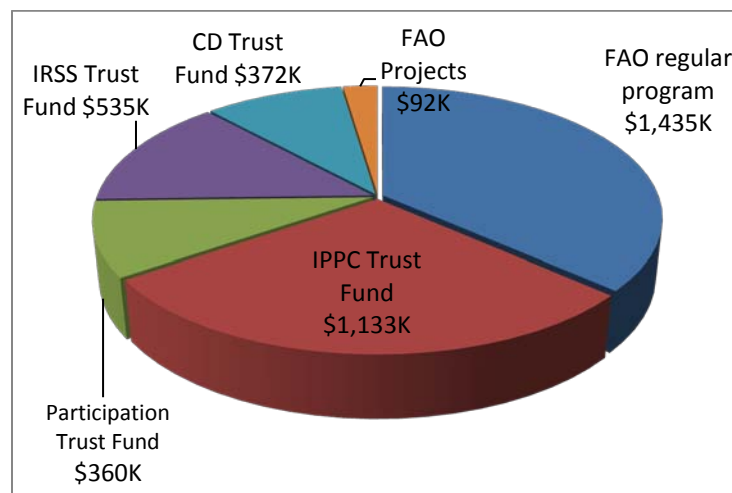


Figure 1: IPPC Funding at Jan. 2012

As is well known, the current global situation has resulted in a general retrenchment in outside financial support to the IPPC. Nevertheless, the European Union, Switzerland, USA, Japan and the Republic of Korea have provided generous assistance to the Secretariat over the past year – both financially and in-kind support. These efforts are greatly appreciated as they provide the Secretariat with the ability to sustain its operations, and in some cases broaden outreach and take on new issues.

As noted above, the IPPC receives funding from a variety of sources; the largest overall inputs continue to come from the FAO regular program fund. Given the current global financial situation and consequent indications within FAO, it is the opinion of the Secretariat that a reduction in regular programme funding for the IPPC Secretariat should be anticipated for the next biennium.

A quick review of spending through the end of August, 2012, indicates that the largest figures spent thus far were for activities associated with the 7th Commission on Phytosanitary Measures and the April Standards Committee meeting. While final figures are still not fully available, current estimates for costs related to the Commission meeting are estimated to total nearly \$400,000.

Current projections for IPPC spending indicate that the FAO regular programme funds may end the year in deficit, the IRSS trust fund will be fully spent at the conclusion of its fiscal year (April 2013), the participation trust fund will be nearly spent, the Capacity Development Trust fund will be fully spent and some general IPPC trust fund monies will be available for carry over to 2013. While the projections are approximate, it is anticipated that there will be approximately US\$846,340 in the IPPC general trust fund to be carried over into 2013. An approximate additional US\$158,000 is anticipated for standard setting activities from Switzerland in 2013, bringing approximate total multi-donor trust funds available to the Secretariat for 2013 to US\$1,004,340.

Over the past few years, the general IPPC multi-donor trust fund has maintained a surplus at the conclusion of the year. One of the reasons for this has been the lack of adequate personnel available to perform the tasks assigned to the general IPPC trust fund. Another has been timing of deposits, e.g., the bureaucracy associated with receiving and depositing monies into the IPPC accounts can be and generally is very time consuming.

Over the past few years, the Secretariat has been fortunate with regard to finances associated with the multi-donor IPPC Trust Fund. This trust fund, with lower than standard overhead costs, has been able to provide the Secretariat the resources to do many things that otherwise would have been left untouched. In view of the probability of decreased regular programme funds in the future, and the continuing lack of assessed contributions to the general trust fund, or any effort on behalf of CPM to advance in this direction, the likelihood exists that while there will be carryover into 2013, it will be significantly less than in the preceding few years. Figure 2 (below) provides a table showing *estimated* 2013 expenses for the multi donor trust fund against *estimated* expenses for 2012 (as best known thus far), including the *estimated* carryover into 2013, expenditures and *estimated* carryover into 2014 (in the absence of any additional inputs).

The general trust fund has been viewed over time as a safety net resource for the IPPC Secretariat. As additional tasks have been assigned to the Secretariat over time, money has been deposited into this fund for those purposes and it has been spent accordingly. The fund has also received voluntary contributions as well. As additional tasks have been assigned by the CPM without concomitant funding support, the IPPC general trust fund has been, and will be, steadily diminishing. At this point in time it is not possible to forecast at what point the fund will be exhausted completely. As the multi-donor trust fund continues to decline, so will the level of activity the Secretariat can undertake and accomplish. This will also necessitate a reduction in available staff.

The SPG is invited to:

- 1) *note* the current financial situation of the Secretariat.

2013 Anticipated Expenditures for IPPC Trust Fund				
Strategic Objective	Primary Work Areas	Operational activity	2013	2012
		<i>Estimated carry over from 2012</i>	846,340	1,113,000
		Probable inputs	158,000	188,000
		Total <i>estimate</i> for 2013	1,004,340	1,301,000
A	1 SS	Coordinate the work of 5 Technical Panels (TP) to ensure their work plans are delivered. Hold 4 TP meetings. Reports from these meetings will be posted on the IPP.	-85,000	-124,710
		The production of advocacy material to identify the role of the IPPC in sustainable crop intensification		-100,000
A	1SS	Project Post - Standards Officer	-135,000	
		Focus Group: revision of standard setting programme		-4,950
A	2 COM	The preparation and production of communication material (videos, brochures, posters, etc.).	-50,000	
B	1 SS	2 Expert Working Group meetings (on Seeds and used equipment) will be organized and documents will be developed and posted on the IPP. Reports from these meetings will be posted on the IPP.	-25,000	-30,000
B	2 WEB	Coordinate web activities, consultant for programming transition.	-60,000	
		Meeting of phytosanitary capacity building experts to be convened to further develop capacity building work programme.		-35,000
		Develop a promotional plan and materials, including with relevant partners.		-5,000
		Produce on annual report on IPPC Activities and Resources		-5,000

		Secretariat maintains, improves and manages the IPPC Web site to communicate the Secretariat's activities, to highlight RPPO and NPPO activities, to publish documentation relating to the IPPC, and to provide technical information on phytosanitary measures		-60,000
		Editing and translation of the IPPC manual		-5,000
		10 national/sub-regional capacity building workshops on Information Exchange.		-25,000
D	1 CD	Meeting of phytosanitary capacity building experts to be convened to further develop capacity building work programme.	-35,000	
D	1 CD	Consultancies for Capacity Development activities	-295,000	
X	1 REV	ePhyto.	-25,000	
	2 IT	Maintain the On-line Comment System (OCS) to allow all countries to provide comments on draft ISPMs on-line.	-15,000	-60,000
TOTAL estimated carryover			279,340	846,340