



Food and Agriculture
Organization of the
United Nations



International Plant Protection Convention
Protecting the world's plant resources from pests

IPPC Financial Committee Meeting

**Washington DC, United States of America
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IPPC Secretariat

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1. Opening of the Meeting

- [1] The IPPC Secretary, Mr Jingyuan XIA, opened the IPPC Financial Committee (FC) meeting and welcomed all the participants to Washington, DC, USA. He said that it was the third FC meeting outside of FAO-HQ in Rome, Italy. He thanked the participants for the work on FC papers.
- [2] Ms Forest, the Chair of the FC, welcomed the FC members and opened the meeting. She noted that the focus of this meeting should be the IPPC Secretariat budgeting process - prioritization of activities, budget format and moving budget adoption one year ahead; and sustainable funding for IPPC Work Programme.

2. Adoption of the Agenda

- [3] The FC adopted the agenda after Mr Fedchock proposed an item under the Any Other Business (Appendix 01).

3. Housekeeping

- [4] The Secretariat introduced the Documents and noted that the following FC members participated in the meeting: Ms Lois RANSOM (CPM Chair - Australia), Ms Marie-Claude FOREST (FC Chair - Canada), Mr Lucien KOUAME KONAN (Côte d'Ivoire). From the IPPC Secretariat, Mr Jingyuan XIA, Mr Craig FEDCHOCK and Mr Marko BENOVIC participated. Details about FC membership are available at [link](#).
- [5] CPM Bureau member Mr Corné VAN ALPHEN (The Netherlands) and Mr Orlando Sosa (IPPC Secretariat) participated as Observers.

4. Report of Last Meeting and Review of Action Points

- [6] The FC reviewed the pending actions from the last meeting and thanked the IPPC Secretariat for following up actions. There were no comments on the FC April 2017 report.
- [7] A list of unfinished current actions is attached in Appendix 02.
- [8] The FC:
- *requested* the IPPC Secretariat to update actions in the Action list to reflect progress made.

5. Update on Resource mobilization

- [9] The IPPC Secretary updated the FC on the resource mobilization efforts of the IPPC Secretariat for the 2017 first Semester.
- [10] Overall, budgeted resources available to the IPPC Secretariat for 2017 amount to USD 5.745 million, USD 2.950 million from RP (51%), USD 2.795 million from IPPC MDTF and IPPC-Projects (49%), while planned staff costs are USD 2.749 million (48%), and operational costs USD 2.996 million (52%).
- [11] He also noted that Secretariat *increased awareness* of its resource situation through presenting reports on its financial situation and resource mobilization at CPM 12; *made an in-depth analysis* on the current situation of finance and resource mobilization faced by the IPPC Secretariat; *demonstrated a clear demand for short (emergent pests initiative), and long term financial support* to the IPPC Work Programme.

- [12] The Secretary reported that the IPPC Secretariat is active in maintaining close contact with its donors and partners, especially with EU, STDF, Australia, Canada, China, France, Japan, Korea, New Zealand, Switzerland, USA, and others.
- [13] Mr Xia informed the FC that the IPPC Secretariat is active in conducting resource mobilization activities through maintaining and building relationships with international organizations (CBD, WCO, IAEA) and regional organizations (EC – DG SANTE, DG TRADE, DG ENV, DG DEVCO).
- [14] He stressed the progress made on sustainable funding initiative at CPM-12, where two options were presented (VACA system and Pay-As-You-Go).
- [15] He further noted that, in the first Semester of 2017, the IPPC Secretariat has received a record amount of contributions from the IPPC Multi-donor trust fund (USD 853,000) provided by Australia (USD 433,000), Canada (USD 200,000), Japan (USD 20,000), New Zealand (USD 50,000) and Republic of Korea (USD 150,000).
- [16] It was also noted that the IPPC Secretariat is anticipating in-kind contributions at the level of USD 0.8-1 million in 2017.
- [17] The FC:
- *noted* the recent resource mobilization efforts and the financial position of the IPPC Secretariat.

6. Consideration of CPM-12 Decisions on Financial Issues

6.1. IPPC Secretariat budgeting process (prioritization of activities, budget format and moving budget adoption one year ahead)

- [18] The IPPC Secretariat introduced the paper and noted that the development and adoption of the annual Work Plan and Budget (WPB) of the IPPC Secretariat primarily stems from the real need for proper and transparent operational and financial planning of the activities and results of the IPPC Secretariat.
- [19] The IPPC Secretariat noted that the purpose of the paper is to build understanding and seek approval of moving the budget process one year ahead and update the WPB format.
- [20] The purpose of moving the budget adoption by CPM one year ahead is simple. CPM occurs usually in March or April and this is when the annual WPB is adopted. However, de-facto annual budget execution already starts in January. This practically means that budget is being executed without being adopted by CPM for 3-4 months (*it is important to note here that Bureau approves the WPB in December of the previous year, but it still not adopted by CPM until March/April*). Therefore, the FC is proposing that CPM adopts the WPB for the subsequent year, not the current year (due to timing of the CPM sessions). 2018 will be a transitional year where WPB for both 2018 and 2019 should be adopted by CPM-13 in 2018.
- [21] FC further discussed the improvements of the budget format. After a thorough discussion on the ways of linking activities, outputs and outcomes, the FC decided to add outcomes from the Convention text and link them to activities so that all IPPC Secretariat activities have underlying link to the desired outcomes of the Convention. Apart from tying activities, outputs and outcomes, the FC introduced an activity prioritization scheme, where all IPPC Secretariat activities should be ranked based on relevance to the Convention.
- [22] The FC:
- *Supported* the proposal of moving the WPB of the IPPC Secretariat by one year ahead
 - *Decided to* update the WPB so that it includes outcomes of the Convention that are linked to prioritized IPPC Secretariat activities

- *Requested* that the IPPC Secretariat prepares the first draft of the WPB for both 2018 and 2019 to be discussed at the October FC/Bureau meetings, with prioritization of each activity included in the WPB

6.2. Sustainable funding for IPPC Work Programme (developing provisions for meeting CPM-12/EU requirements)

[23] The IPPC Secretariat reminded that during its twelfth session in 2017, the CPM requested the CPM Bureau and its Financial Committee, to develop detailed provisions for a sustainable funding proposal during 2017, with a progress report on the sustainable funding proposal to be presented to CPM-13 (2018).

[24] Since CPM-12, the IPPC Secretariat met with the FAO Legal Officer, Ms Marta Pardo, to discuss potential improvements of the VACA system. Ms Pardo offered to explore an arrangement in which IPPC contracting parties would not have to sign individual agreements with FAO every time they wish to contribute funds to the IPPC Multi-donor Trust Fund. Instead, CPM could adopt an overarching agreement for voluntary contributions. In this new scenario, Contracting Parties would only refer to the CPM decision when transferring the funds and avoid the long process of signing an agreement with FAO.

[25] Mr Van Alphen reported that he did not receive further information on the detailed provisions requested by the EU. He noted the complexity for the EU when to adopt any obligatory funding mechanism, as there is a legal element to it and being often outside of the remit of National Plant Protection Organizations. He also reported that EU views the sustainable funding initiative as part of the broader International Year of Plant Health (IYPH) initiative.

[26] FC further discussed the improvement to the proposal that includes refocusing the two options as supplementary contributions and project-based funding to better reflect the nature and purpose of each funding stream. The FC further defined them in more details as they are two different mechanisms for different purposes:

1) Supplementary Contributions: Complement the FAO Regular Programme to cover IPPC Secretariat staff and operational costs, minimum/maximum threshold, assessment criteria (UN, trade related and other) and potential grouping of countries (e.g. EU).

2) Project-based funding: funding provided by CPs that is tied to a specific project (e.g. Sea Container Task Force), time limited, enacted by a CPM priority with an agreed outcome, and which external project funding is not likely to occur.

[27] With these changes, the FC recommends four funding streams for the IPPC Work Programme, being FAO Regular Program, Supplementary Contributions, Project-based funding for internal projects and External Projects (eg. STDF projects).

[28] The FC:

- *decided* to improve the sustainable funding proposal (supplementary contribution, project-based funding) based on the discussion and specifically for:
 - *Supplementary Contribution:*
 - introduce minimum/maximum threshold in the countries table
 - divide countries UN assessment scale into bands
 - not to group countries together – grouping should be left to country organizations
 - *Project-based funding:*
 - is linked to a specific project
 - is time limited
 - is enacted by a CPM priority

- is directed at outcomes that are unlikely to attract project funds from sources external to the IPPC and its members.

6.3. Sea containers and ePhyto

[29] The FC discussed the financial situation with regard to the Sea Container Task Force (SCTF) as well as the ePhyto project. The IPPC Secretariat reported that there is a firm commitment from China to host meetings of the SCTF through the first three years of the task as directed by the CPM. In addition, the USA has committed to provide USD 25,000 per annum to the effort over the next five years. The CPM Chair reported that some industries are considering options to contribute resources to the project. The project proposal should be sent out with a call for additional donors and Task Force members.

[30] With regard to the ePhyto project, there had been considerable concern regarding bridging the project from inception and pilot until such time as financial arrangements could be developed to support and sustain the programme. The FC was informed that the IPPC Secretariat has engaged a contractor to perform an analysis of financing options as well to develop a proposal for sustainable funding post-pilot, potentially a cost recovery model. Additionally, Australia has provided USD 433,000 for bridging the programme post pilot - until a financing scheme has been established. The USA is considering arranging USD 100,000 for the ePhyto programme.

[31] The FC:

- *noted and supported* the developments regarding the Sea containers and the ePhyto projects

6.4. Estimating potential costs of CPM-12 decisions

[32] The IPPC Secretariat introduced a paper that contains a breakdown of CPM-12 decisions that will have financial implications to the IPPC Secretariat work plan and budget for future years.

[33] The total financial impact of the CPM-12 decisions in the next 3-5 years is estimated at the level of USD 1 million.

[34] The FC:

- *requested* the IPPC Secretariat to include provisions for the CPM-12 decisions in the WPB for 2018 and 2019, as appropriate, and that these also be assessed using the proposed prioritization process.

7. Next Meeting

[35] The FC Chairperson thanked all FC members and the IPPC Secretariat for the hard work carried out during the recent period and at the meeting, and expressed hope that the critical work accomplished at this meeting will be continued and fruitful in the future for the Convention. Next meeting is scheduled for 9 October 2017 (morning) in Rome, Italy.

8. Any Other business

[36] Mr Fedchock introduced the idea of having additional observers to attend the FC meetings. He noted that external views and suggestions could potentially improve the FC practices and increase transparency. FC was open to the idea of additional observers as this would broaden perspectives and input.

[37] The FC:

- *confirmed* that the IPPC Secretariat should invite an EC delegate to the FC October meeting
- *decided* to invite relevant observers at future FC meetings as appropriate

Appendix 01 – Agenda

Agenda Item	Document No	Presenter
1. Opening of the Meeting		Xia/Forest
2. Adoption of the Agenda	01_IPPC-FC_2017_June	Forest
3. Housekeeping		
3.1 Documents list	02_IPPC-FC_2017_June	Fedchock
3.2 Participants list	IPP	
3.3 Local information	IPP	
4. Report of Last Meeting and Review of Actions Points	April 2017 Report	Forest/Benovic
5. Update on Resource Mobilization		Xia/Benovic
6. Consideration of CPM-12 Decisions on Financial Issues		
6.1 IPPC Secretariat budgeting process (prioritization of activities, budget format and moving budget adoption one year ahead)	03_IPPC-FC_2017_June	Benovic
6.2 Sustainable funding for IPPC Work Programme (developing provisions for meeting CPM-12/EU requirements)	04_IPPC-FC_2017_June	Benovic/ Fedchock
6.3 Sea Containers and ePhyto	06_IPPC-FC_2017_June	Lois/Forest
6.4 Estimating potential costs of CPM-12 decisions	05_IPPC-FC_2017_June	Fedchock/Benovic
7. Next Meeting		Forest
8. Any Other Business		Forest

Appendix 02 – Action list

#	ACTION	Action from	Responsible	Deadline	Status
Basic set up (ToR & WA)					
1	Review working arrangements of the FC and its membership			Permanent	Ongoing
Resource mobilization					
2	Review Resource mobilization activities of the IPPC Secretariat, Bureau and FC			Permanent	Ongoing
3	Letter should be written to all CPs for the solicitation of resources to replenish the MDTF. Ideally, the letter would be personally signed by the DG of FAO. The Bureau decided to investigate on how to approach the DG and would author the proposed letter by mid-August.	Jun-16	Bureau, FC, IPPC Secretariat	Progress made; Review at next meeting	In process
4	Secretariat to prepare a tri-fold draft brochure/factsheet on the IPPC and highlight its contribution to food security, trade facilitation, environment protection, capacity development, etc.	Oct-16	IPPC Secretariat	End of 2017	In process
5	Continue to work on the sustainable funding mechanism for the IPPC Secretariat based on inputs from FC, Bureau and SPG. Work with EU on detailed provisions for the mechanism.	Oct-16; Apr, Jun 17	Bureau, FC, IPPC Secretariat	Progress made; Review at next meeting	In process
Development of Financial process and Forms					
6	Review IPPC Secretariat financial forms (Work plan and Budget, Financial report, Progress reports)			Permanent	Ongoing
7	Update the WPB so that it includes outcomes of the Convention that are linked to prioritized IPPC Secretariat activities	Jun-17	IPPC Secretariat	Oct-17	In process
8	First draft of the WPB for both 2018 and 2019 to be discussed at the October FC/Bureau meetings, with prioritization of each activity included in the WPB	Jun-17	IPPC Secretariat	Oct-17	In process
9	Include provisions for the CPM-12 decisions in the WPB for 2018 and 2019, as appropriate, and that these also be assessed using the proposed prioritization process.	Jun-17	IPPC Secretariat	Oct-17	In process
10	Draft costs comparison between CPM in Rome and Korea	Jun-17	IPPC Secretariat, Bureau member Asia	2017	In process
International Year of Plant Health (IYPH)					
11	Plan stakeholder conference for 2020	Oct-14	IPPC Secretariat, FC	To be decided; linked to IYPH-SC	In process
12	Dedicated brochure for the IPPC in relation to the International Year for Plant Health (IYPH) should be developed	Jun-15	IPPC Secretariat	To be decided; linked to IYPH-SC	In process
Other					
13	Develop guidelines for sponsorship of standards	Oct-14	IPPC Secretariat, FC	To be decided	Postponed
13	FC Agreed to discuss the set up for ISPM 15 mark registration maintenance in a future meeting.	Oct-15	IPPC Secretariat	Oct-17	In process

#	ACTION	Action from	Responsible	Deadline	Status
14	IPPC Secretariat should invite an EC delegate to the FC October meeting and other Observers as appropriate.	Jun-17	IPPC Secretariat	Oct-17	In process