



Food and Agriculture
Organization of the
United Nations



International
Plant Protection
Convention

REPORT

IPPC Financial Committee Meeting

Rome, Italy
9 October 2017

IPPC Secretariat

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1. Opening of the Meeting

- [1] The IPPC Secretary, Mr Jingyuan XIA, opened the CPM Financial Committee (FC) meeting and welcomed all the participants to Rome, Italy. He welcomed Observers from EC and WB to the FC meeting and thanked the participants for the work on FC papers.
- [2] Ms Forest, the Chair of the FC, welcomed the FC members and Observers to the FC meeting. She noted that the focus of this meeting should be on the IPPC Secretariat Work Plan and Budget for 2018 in particular on the prioritization exercise, the discussion on the IPPC Secretariat Work Plan and Budget for 2019, and the progress on Sustainable funding initiative for IPPC Work Programme in preparation for the discussion at the SPG the following day.

2. Adoption of the Agenda

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

3. Housekeeping

- [4] The Secretariat introduced the Documents list (Appendix 2) and noted that the following FC members participated in the meeting: Ms Lois RANSOM (CPM Chair – Australia; over Skype), Ms Marie-Claude FOREST (FC Chair - Canada), Mr Lucien KOUAME KONAN (Côte d'Ivoire) and Mr. Ralf LOPIAN (Finland). From the IPPC Secretariat, Mr Jingyuan XIA, Mr Craig FEDCHOCK, Mr. Shoki AL-DOBAI and Mr Marko BENOVIC participated. Details about FC membership are available on the IPP.
- [5] Mr. Francisco TRISTANTE (European Commission) and Mr. Bill GAIN (World Bank) participated as Observers.
- [6] Ms. Marta Pardo (FAO Senior Legal Officer) and Mr. David McSherry (FAO Senior Finance Officer) participated in the discussion on sustainable funding issue (Agenda item 6.2.).

4. Report of Last Meeting and Review of Action Points

- [7] The FC reviewed the pending actions from the June 2017 meeting, and thanked the IPPC Secretariat for following up actions. There were no comments on the report.
- [8] A list of unfinished current actions is attached in Appendix 03.
- [9] The FC:

(1) *requested* the IPPC Secretariat to update actions in the Action list to reflect progress made.

5. Update on Resource Mobilization of the IPPC Secretariat for 2017

- [10] The IPPC Secretary updated the FC on the resource mobilization efforts of the IPPC Secretariat for 2017.
- [11] Overall, budgeted resources available to the IPPC Secretariat for 2017 amounted 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 were USD 2.749 million (48%), and operational costs USD 2.996 million (52%).
- [12] He also noted that IPPC 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 a sustainable funding support* to the IPPC Work Programme.
- [13] The IPPC 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.

- [14] Mr Xia informed the FC that the IPPC Secretariat is active in conducting resource mobilization activities through maintaining and building relationships with other international organizations (CBD, WCO, IAEA) and regional organizations (EC – DG SANTE, DG TRADE, DG ENV, DG DEVCO).
- [15] He also stressed the progress made on sustainable funding initiative at CPM-12 and at June FC/Bureau meetings, where the two options were updated (Supplementary Contributions Arrangement and Project based funding).
- [16] He further noted that, as of October 2017, the IPPC Secretariat has received a record amount of contributions from the IPPC Multi-donor trust fund (USD 1,027,000) provided by Australia (USD 433,000), Canada (USD 206,000), Japan (USD 20,000), New Zealand (USD 50,000) and Republic of Korea (USD 188,000) and USA/NAPPO (USD 130,000).
- [17] He noted that the IPPC Secretariat is currently negotiating a new contribution with Switzerland.
- [18] It was further noted that the IPPC Secretariat is anticipating in-kind contributions at the level of USD 0.8-1 million for 2017.
- [19] The FC:
- (1) *noted* the recent resource mobilization efforts and the financial position of the IPPC Secretariat.

6. Consideration of Financial Issues Relevant to the IPPC

6.1. IPPC Secretariat Work Plan and Budget for 2018 and 2019 with priority setting

- [20] In June 2017, the CPM Bureau and FC intensively discussed the way forward on the IPPC Secretariat Work Plan and Budget for 2018. At that meeting, the CPM Bureau and FC proposed several improvements to the work plan and budget format, that included prioritization of the IPPC Work plan based on the Convention and the IPPC Strategic framework and moving the budget process one year ahead.
- [21] The IPPC Secretariat introduced the improvements, as requested, to the IPPC Secretariat Work Plan and Budget 2018, namely:
- *Prioritization of activities* in the Work plan and Budget aims to make sure that funds are allocated based on priorities of the CPM, help IPPC Secretariat secure funding resources based on priorities and ensure that in case of lack of funds, priorities are funded first. In order to facilitate this exercise, each of the three pillars has been given 33 points to score their activities as relevant to the IPPC Strategic framework (possible scores range from: 1 -minimum relevance; 2 - medium relevance; 3 - high relevance; X – mandatory).
 - The reason of *moving the budget adoption by CPM one year ahead* is due to the timing of the CPM sessions. In general, CPM occurs in March or April each year when the annual WP and Budget are adopted. However, de-facto annual budget execution has already started 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 WP and Budget in December of the previous year, but it still not being adopted by CPM until March/April). Therefore, the Bureau and FC agreed that that CPM should adopt the WP and Budget of the IPPC Secretariat for the subsequent year, not the current year.
- [22] FC discussed the IPPC Secretariat Work and Budget for 2019 that will be presented at the CPM Bureau Virtual meeting in December 2017. The FC proposed that the Work and Budget for 2019 should have a similar format as the Work and Budget for 2018 and that should only differ from the 2018 where needed and where data for 2019 is not available yet.
- [23] The FC:

- *supported* the draft IPPC Secretariat Work Plan and Budget for 2018 for approval by the CPM Bureau in December
- *requested* that the IPPC Secretariat makes specific improvements to the Work Plan and Budget for 2018, according to the inputs from the FC
- *requested* that the IPPC Secretariat prepares the first draft of the Work and Budget for 2019 to be presented at the CPM Bureau virtual meeting in December

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

[24] At June meeting, the FC further discussed improvements to the sustainable funding proposal that included 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 detail as they are two different mechanisms for different purposes:

1) Supplementary Contributions Arrangement: This funding stream complements the FAO Regular Programme to cover IPPC Secretariat staff and operational costs, introduces adjusted UN assessment scale with minimum/maximum threshold and un-grouping of countries in the assessment table (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.

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

[26] Between June and October, based on these discussions and guidelines, the FC Chair worked with FAO Legal Officer and the IPPC Secretariat to improve the sustainable funding proposal (for supplementary contributions arrangement, project-based funding). The main intention of the document was to build understanding on the issue at the SPG meeting that followed the FC/Bureau meetings.

[27] The proposal for Supplementary Contributions Arrangement presented at the FC meeting included a draft CPM decision on the simplification of the contributions mechanisms and the Adjusted UN Assessment scale where all CPs were assessed for potential voluntary contributions (the assessment table took into account the requirements listed above).

[28] The proposal on Project-based funding also took into consideration the FC/Bureau requirements listed above, while the CPM Chair noted that this funding stream should be open to both internal (CPs) and external (e.g. STDF).

[29] Ms Pardo from FAO Legal office introduced the draft CPM decision on supplementary contributions, while Mr McSherry introduced the contributions system that FAO uses for collecting assessed contributions from FAO members. FC members noted many similarities between FAO system and the proposal on sustainable funding for the IPPC work programme.

[30] FC members, FAO Officers, the IPPC Secretariat and Observers engaged in a discussion on alternative options to the proposal that included lobbying the FAO Conference to increase the Regular programme allotment to the IPPC and the momentum around the new Trade Facilitation Agreement.

[31] The FC:

- *supported* the proposal to be presented at SPG and Bureau meetings in October

- *asked* the IPPC Secretariat to collect inputs from SPG on the proposal and create a list of Frequently Asked Questions (FAQ) to accompany the proposal to be presented at CPM-13

6.3. Comparing costs of CPM in Incheon and Rome

- [32] The IPPC Secretariat introduced a paper that contained cost comparison between average CPM costs in FAO-HQ and Incheon, Korea (CPM-12).
- [33] Total costs of CPM-12 amounted to USD 972,000. 38% of the total costs were covered by the IPPC Secretariat, while Korea covered 62% (directly and through the IPPC Secretariat).
- [34] The paper showed that the IPPC Secretariat saved approximately USD 58,000 on CPM-12, but Korea spent USD 600,000 to support in the CPM-12.
- [35] The FC:
 - *concluded* that CPM-12 in Korea was an expensive undertaking (both in financial and staff time terms), but also noted that monetary aspect is not the only important aspect of having a CPM outside of Rome. It further concluded that the value of hosting CPM cannot only be weighed against its costs.
 - *suggested* that as long as the IPPC Secretariat does not incur additional costs, CPM outside of Rome could be considered as a viable proposal.

7. Next Meeting

- [36] The FC Chairperson thanked all FC members, observers 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 organization. Next meeting is scheduled for 11 April 2018 (morning) in Rome, Italy.

8. Any Other business

- [37] Mr. LOPIAN informed the FC that he resigned from the FC as of October 2017, as he wants to focus on the preparations for International Year of Plant Health (IYPH) in 2020.
- [38] The FC and the IPPC Secretariat:
 - *thanked* Mr. LOPIAN on his tremendous contributions to the work of the FC and wished him success in his future endeavors, especially with the IYPH.

APPENDIX 1 - Agenda

	AGENDA ITEM	DOCUMENT NO.	PRESENTER
1.	Opening of the Meeting		XIA/FOREST
2.	Meeting Arrangements	01_IPPC-FC_2017_Oct	FOREST
3.	Administrative Matters		
3.1	Documents list	02_IPPC-FC_2017_Oct	BENOVIC/FEDCHOCK
3.2	Participants list	IPP	
3.3	Local information	IPP	
4.	Report of Last Meeting and Review of Actions Points	June 2017 FC Report	FOREST/BENOVIC
5.	Report of Resource Mobilization of the IPPC Secretariat for 2017		XIA/BENOVIC
6.	Consideration of Financial Issues Relevant to the IPPC		
6.1	IPPC Secretariat Work Plan and Budget for 2018 and 2019 with priority setting	04_IPPC-Bureau_2017_Oct	XIA/BENOVIC
6.2	Sustainable funding for the IPPC Work Programme	07_IPPC-Bureau_2017_Oct	FOREST/BENOVIC/PARDO
6.3	Comparing costs of CPM in Incheon and Rome	05_IPPC-Bureau_2017_Oct	BENOVIC/FEDCHOCK
6.4	ISPM 15 registration renewal costs after 2018 - Point from Bangladesh - SPG		BENOVIC
7.	Any Other Business		FOREST
8.	Next Meeting		FOREST
9.	Closing of the Meeting		FOREST

Appendix 2: Documents list

DOCUMENT NO.	AGENDA NO.	DOCUMENT TITLE	POSTED
01_IPPC-FC_Oct_2017	02	Provisional Agenda	03 October 2017
02_IPPC-FC_Oct_2017	03.1	Documents list	03 October 2017
04_IPPC-Bureau_2017_Oct	06.1	IPPC Secretariat Work Plan and Budget for 2018	03 October 2017
07_IPPC-Bureau_2017_Oct	06.2	Progress on Sustainable funding initiative for the IPPC Work Programme	03 October 2017
05_IPPC-Bureau_2017_Oct	06.3	Cost comparison between holding the CPM at FAO-HQ versus Korea	03 October 2017

Appendix 3: 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	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					
4	Review IPPC Secretariat financial forms (Work plan and Budget, Financial report, Progress reports)			Permanent	Ongoing
5	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
6	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	Dec-17 (for 2019 WPB)	In process
7	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	Dec-17 (for 2019 WPB)	In process
Other					
8	FC Agreed to discuss the set up for ISPM 15 mark registration maintenance in a future meeting.	Oct-15	IPPC Secretariat	Mar-18	In process
9	IPPC Secretariat should invite an EC delegate to the FC October meeting and other Observers as appropriate.	Jun-17	IPPC Secretariat	Oct-18	In process