



Food and Agriculture
Organization of the
United Nations



International
Plant Protection
Convention

REPORT

IPPC Financial Committee Meeting

Rome, Italy
11 April 2018

IPPC Secretariat

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1. Opening of the Meeting

- [1] Ms. FOREST, the Chair of the IPPC Financial Committee (FC), welcomed the FC members and opened the meeting. She noted that the focus of the meeting should be CPM-13 financial documents: IPPC Secretariat Financial report for 2017, the IPPC Secretariat Work Plan and Budget for 2018, IPPC Secretariat Work Plan and Budget for 2019, Progress on sustainable funding mechanism for the IPPC work programme, updated FC Terms of Reference (ToRs), Progress on resource mobilization and consideration of the desired outcome of the CPM discussion on the these topics.
- [2] The IPPC Secretary, Mr. Jingyuan XIA welcomed all the participants to Rome, Italy. He noted that it was a milestone meeting, specifically due to the progress made on the sustainable funding initiative and the budgeting process. He stressed the importance of the upcoming CPM discussion on the IPPC Strategic framework for 2020-2030, progress on commodity standards and the proclamation of the International Year of Plant Health (IYPH) in 2020, as these initiatives will have significant budgetary implications and have to be planned for.

2. Meeting Arrangements

2.1. Adoption of the Agenda

- [3] The FC adopted the agenda (Appendix 1). Ms. RANSOM proposed that strategy for approaching COAG meeting in October 2018 regarding sustainable funding is discussed under Any Other Business. She also suggested that the FC discusses the need for longer (two days) FC meeting in June 2018.

3. Administrative Matters

3.1. Documents list

- [4] The IPPC Secretariat presented the Documents list (Appendix 2).

4. Report of Last Meeting and Review of Actions Points

- [5] The FC reviewed the pending actions from the last meeting and thanked the IPPC Secretariat for following up of pending actions. There were no comments on the FC report for October 2017.
- [6] The FC:
- *thanked* the IPPC Secretariat for accomplished actions from the Actions list

5. Consideration of CPM-13 Documents on Financial Related Issues

5.1. IPPC Secretariat financial report for 2017

- [7] The IPPC Secretariat presented its financial report for 2017. In 2017, where total resources available to the IPPC Secretariat amounted to USD 6,202,195, comprised of USD 2,864,177 from FAO Regular programme (RP) and USD 3,338,018 from IPPC Extra-budgetary (EB) resources (contributions and carry-overs). Total expenditures from both RP and EB sources in 2017 amounted to USD 5,091,906, comprised of USD 2,988,548 from FAO RP and USD 2,103,358 from IPPC EB funds. The resulting deficit of USD 124,371 in FAO RP resources (2.1% of the biennial allocation) was absorbed on an exceptional basis by the Agriculture and Consumer Protection (AG) department of FAO.
- [8] As a result of resource mobilization efforts and sound financial management, the IPPC Multi-Donor Trust Fund (MDTF) remained in surplus (carry-over from 2017 to 2018 is USD 1,228,153, compared to 2016 to 2017 carry-over of USD 1,098,756). In 2017, six Contracting Parties and one international organization made contributions to the IPPC MDTF.

- [9] In 2017, the IPPC Secretariat administered seven IPPC Projects. Each project has its specific purpose and all budgets were executed in accordance with the signed agreements.

5.2. Resource mobilization report of the IPPC Secretariat for 2017

- [10] The IPPC Secretary updated the FC on the resource mobilization efforts of the IPPC Secretariat for 2017. He 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.
- [11] 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.
- [12] Mr. XIA informed the FC that the IPPC Secretariat is also 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, NAPPO).
- [13] He stressed the progress made on sustainable funding initiative at CPM-12 and at October FC/Bureau/SPG meetings in 2017, where the two options were updated (Supplementary Contributions Arrangement and Project based funding).
- [14] He further noted that, as of 31 December 2017, the IPPC Secretariat has received a record amount of contributions from the IPPC Multi-donor trust fund (USD 1.084 million) provided by Australia (USD 433,000), Canada (USD 206,000), Japan (USD 20,000), New Zealand (USD 50,000) and Republic of Korea (USD 208,000) and USA/NAPPO (USD 155,000), and IST (USD 9,875). Among the MDTF, 54% of the total contributions were ear-marked for ePhyto activities.
- [15] He also noted that several contracting parties had already pledged their 2018 contributions at the total level of USD 0.8 million: Canada (USD 288,000), Netherlands (USD 59,000), Switzerland (USD 310,000) and USA/NAPPO (USD 155,000).
- [16] He mentioned that IPPC Secretariat received funding for projects at the level of USD 2.7 million related to IPPC-China project on capacity development (USD 2 million) and IPPC-Japan project on ePhyto related activities (USD 0.7 million). He also noted that EU pledged the 3rd IRSS cycle at the level of USD 0.74 million for the 2018-2020 period.
- [17] It was further noted that the IPPC Secretariat received in-kind contributions at the level of over USD 1 million for 2017 from 17 contracting parties, 13 regional organizations and 2 international organizations.
- [18] The FC:
- (1) *noted* the recent resource mobilization efforts made in 2017,
 - (2) *proposed* several improvements to the CPM-13 presentation on this topic.

5.3. IPPC Secretariat work plan and budget for 2018

- [19] FC discussed the IPPC Secretariat work plan and budget for 2018 and focused on discussion of planning and budgeting process, template for the work plan and budget and need to prioritize activities with core work areas of the work plan and budget.
- [20] FC further discussed funding for travel of IPPC Secretariat staff (i.e. one per meeting if possible) and developing countries to IPPC meetings. It noted the decreasing trend in funding and increasing trend in demand from countries for funding of travel for various meetings. FC further noted that CPM participants

should be encouraged to find their own sources of funding for participation in CPM as a core commitment as a contracting party to the Convention.

[21] IPPC Secretary informed the FC of risks and issues related to the CPM quorum in view of the reduced travel funding.

[22] The FC:

- (1) *thanked* the IPPC Secretariat for finalizing the IPPC Secretariat Work plan and Budget for 2018 for CPM-13 presentation and adoption,
- (2) *suggested* that participation of developing countries to CPM is funded on first come-first serve basis, up until CPM quorum is ensured. Funding should be stopped once the CPM quorum is achieved.

5.4. IPPC Secretariat Work plan and budget for 2019

[23] FC discussed the IPPC Secretariat work plan and budget for 2019 and noted that it will be further discussed at the FC June 2018 meeting. Any potential revision of the budget will be discussed then.

[24] The FC:

- (1) *thanked* the Secretariat for finalizing the IPPC Secretariat Work plan and Budget for 2019 for CPM-13 presentation and adoption.

5.5. Sustainable funding for the IPPC Work Programme

[25] FC discussed the focus of the latest proposal on the sustainable funding mechanism which is: 1) simplification of the procedure for contributing to the IPPC MDTF and 2) project based funding.

[26] FC discussed various aspects of the proposal included in the CPM-13 document.

[27] The FC:

- (1) *Stressed* the importance of simplifying the mechanism for contributions going to the IPPC Multi-donor trust fund as an additional step towards a sustainable funding solution.

5.6. FC ToRs

[28] FC discussed the updated FC ToRs that now include a provision on the Observers to FC meetings. Ms. Marta Pardo from FAO Legal participated in the meeting during this agenda item and noted that CPM has to approve, rather than note, the updated FC ToRs – given that it approved it initially at CPM-9 (2012) together with the Resource mobilization strategy for 2012-2019.

[29] The FC:

- (1) *Noted* the update given on this document.

6. Emergency Issues Related to Financial Support

[30] The IPPC Secretary discussed the need for the IPPC Secretariat to act when there are certain emergency related to plant health issues around the globe. For example, he noted that IPPC has to do more in relation to *Xylella fastidiosa* and *Red Palm Weevil* pest outbreaks, show presence and support in solving these issues that have significant impact on regional economic situation and the state of plant health.

[31] A FC member noted that, in Africa, there are many emergency plant health issues that IPPC is not addressing directly.

[32] The FC discussed how resources could be made available for responses in case of emergencies related to pest outbreaks. It also noted that demands from contracting parties to assist in an emergency was beyond the scope of the current budget and could support the justification for additional funds for the IPPC from the FAO regular program budget.

[33] The FC:

- (1) *Noted* the importance of defining what is considered “emergency” and defining exact roles of the IPPC in them,
- (2) *Suggested* that in emergency situations (once clearly defined), Secretariat can decide to re-allocate funds for the purpose of providing appropriate response to an “emergency”.

7. FC Work Plan for 2018

[34] The FC discussed its work programme and the progress on it.

[35] The FC:

- (1) *decided* to proceed with the activities from the work programme.

8. Any Other Business

[36] On 22 February 2018, on behalf of the Presidency of the Council of the European Union, Ambassador Petio Petev, Permanent Representative of the Republic of Bulgaria to FAO, informed Chairman of COAG, Ambassador Pythoud, that the “*German Delegation requested to have an information point in relation to the importance of sustainable funding for the International Plant Protection Convention (IPPC). More specifically, emphasis was put on the need to increase the budget foreseen for the IPPC in the context of FAO’s Programme of Work and Budget 2020-2021.*”

[37] The IPPC Secretariat has since met the Secretary of the Committee on Agriculture (COAG), Mr. Robert G. Guei, to discuss preliminary approach in addressing this request.

[38] The FC discussed the need for a strategic approach on this issue given the importance of the initiative to increase FAO Regular programme funding for the IPPC. During discussions the FC identified several activities with financial implications that could help justify additional resources, including the shortage of travel funds for CPM participants and the ongoing overhead associated with registration of the ISPM 15 mark.

[39] The FC:

- (1) *Suggested* that the Bureau, with the support of the FC, drafts the information paper that will ultimately be included in the COAG October 2018 agenda (not as agenda point, but as information paper).

9. Next Meeting

[40] The FC discussed the need for a longer June meeting in view of various finance related topics it wants to make progress on.

[41] The next meeting is scheduled for 7-8 June 2018 in Rome, Italy at FAO-HQ.

10. Closing of the Meeting

- [42] The FC Chairperson thanked all FC members and the IPPC Secretariat for the work carried out during the recent period and at the meeting, and expressed hope that the good work will be continued and will remain fruitful in the future.
- [43] The FC members and the IPPC Secretariat thanked the outgoing FC Chair, Ms. FOREST, for her tremendous contribution in the work of the FC which resulted in higher transparency and accuracy of financial reporting of the IPPC Secretariat, as well as better planning and management of overall available resources. The FC thanked Ms. FOREST for her commitment and efforts towards finding a solution for sustainable funding of the IPPC Work programme.

Appendix 01 – Agenda

	AGENDA ITEM	DOCUMENT NO.	PRESENTER
1.	Opening of the Meeting		XIA/ FOREST
2.	Meeting Arrangements		
2.1	Adoption of the Agenda	01_IPPC-FC_2018_April	FOREST
3.	Administrative Matters		
3.1	Documents list	02_IPPC-FC_2018_April	BENOVIC
4.	Review for Actions Points of the Last Meeting	October 2017 Report	BENOVIC
5.	Consideration of CPM-13 Documents on Finance-related Issues		
5.1	Financial report of the IPPC Secretariat for 2017	27_CPM_April_2018	BENOVIC
5.2	Resource mobilization report of the IPPC Secretariat for 2017	25_CPM_April_2018; Power Point Presentation	XIA / BENOVIC
5.3	Work plan and budget of the IPPC Secretariat for 2018	35_CPM_April_2018	BENOVIC
5.4	Work plan and budget of the IPPC Secretariat for 2019	36_CPM_April_2018	BENOVIC
5.5	Sustainable funding mechanism for the IPPC work programme	26_CPM_April_2018	FOREST/ FEDCHOCK/BENOVIC
5.6	FC ToRs	07_CPM_April_2018	FOREST
6.	Emergency Issues-related to Financial Support		XIA / BENOVIC
7.	FC Work Plan for 2018		FOREST / XIA
8.	Any Other Business		ALL
9.	Next Meeting		XIA
10.	Closing of the Meeting		FOREST

Appendix 02 – Documents List

DOCUMENT NO.	AGENDA NO.	DOCUMENT TITLE	POSTED
01_IPPC-FC_2018_April	2.1.	Provisional Agenda	10 April 2018
02_IPPC-FC_2018_April	3.1.	Documents list	10 April 2018
27_CPM_April_2018	5.1	Financial report of the IPPC Secretariat for 2017	10 April 2018
25_CPM_April_2018	5.2	Resource mobilization report of the IPPC Secretariat for 2017	10 April 2018
35_CPM_April_2018	5.3	Work plan and budget of the IPPC Secretariat for 2018	10 April 2018
36_CPM_April_2018	5.4	Work plan and budget of the IPPC Secretariat for 2019	10 April 2018
26_CPM_April_2018	5.5	Sustainable funding mechanism for the IPPC work programme	10 April 2018
07_CPM_April_2018	5.6	FC ToRs	10 April 2018
October 2017 Report	4	Last meeting report	

Appendix 03 – 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	Discuss approach to COAG with regard to initiative to increase FAO Regular programme allotment to IPPC Secretariat	April-18	FC, IPPC Secretariat	Jun-2018	In process
4	Discuss the need for opening separate ePhyto and IYPH multi-donor trust funds	April-18	FC, IPPC Secretariat	Jun-2018	In process
Development of Financial process and Forms					
5	Review IPPC Secretariat financial forms (Work plan and Budget, Financial report, Progress reports)			Permanent	Ongoing
6	First draft of the WP&B for 2020 to be discussed at the June FC/Bureau meetings	April-18	IPPC Secretariat	Jun-2018	In process
7	WP&B for 2018 and 2019 to be reviewed	April-18	IPPC Secretariat	Jun-2018	In process
8	FC to take a strategic view of IPPC budgetary issues and discuss in depth resource allocation in view of CPM priorities	April-18	IPPC Secretariat	Jun-2018	In process
Other					
9	FC to discuss set up for ISPM 15 mark registration renewal for future	Oct-15	IPPC Secretariat	/	In process