



Food and Agriculture
Organization of the
United Nations



International
Plant Protection
Convention

REPORT

IPPC Financial Committee Meeting

**Rome, Italy
27 March 2019**

IPPC Secretariat

CONTENTS

| | |
|--|----|
| 1. Opening of the Meeting..... | 3 |
| 2. Meeting Arrangements..... | 3 |
| 2.1. Adoption of the agenda..... | 3 |
| 3. Administrative Matters..... | 3 |
| 3.1. Documents list | 3 |
| 4. Report of Last Meeting and Review of Actions Points..... | 3 |
| 5. Consideration of CPM-14 Documents on Finance-related Issues..... | 3 |
| 5.1. Financial report of the IPPC Secretariat for 2018..... | 3 |
| 5.2. Resource mobilization report of the IPPC Secretariat for 2018..... | 4 |
| 5.3. Work plan and budget of the IPPC Secretariat for 2020..... | 5 |
| 5.4. Sustainable funding mechanism for the IPPC work programme | 5 |
| 5.5. Five year investment plan of the IPPC Secretariat (2021-2025) | 6 |
| 5.6. IYPH action plan and budget..... | 6 |
| 5.7. Status of ISPM 15 Symbol Registration | 6 |
| 5.8. Review of resource implications for eCommerce and Surveillance initiatives..... | 7 |
| 5.9. Discussion on the presentation of financial documents at CPM-14. | 7 |
| 7. FC Core activities for 2019 | 7 |
| 7.1. Support in Resource mobilization for the IPPC Secretariat..... | 7 |
| 8. Any Other Business..... | 8 |
| 9. Next Meeting..... | 8 |
| 10. Closing of the Meeting..... | 8 |
| APPENDIX 01 – Agenda | 9 |
| APPENDIX 02 – Documents list..... | 10 |
| APPENDIX 03 – Action list..... | 11 |

1. Opening of the Meeting

- [1] Mr. WOLFF, the Chair of the IPPC Financial Committee (FC), welcomed the FC members, opened the meeting, and thanked the IPPC Secretariat for the work done since last meeting in October 2018.
- [2] The IPPC Secretary, Mr. Jingyuan XIA, welcomed all the participants to Rome. He stressed the importance of the CPM-14 as a historical meeting with expectation of more than 500 participants. He noted that the FC should focus on: 1) the work plan and budget of the IPPC Secretariat for 2020, 2) the five year investment plan of the IPPC Secretariat - linked to the IPPC Strategic framework for 2020-2030, 3) the five year investment plan for ePhyto, 4) funding for the International Year of Plant Health (IYPH) in 2020, and 5) resource mobilization.
- [3] Mr. XIA reiterated his commitment to sound financial management, budgetary transparency and efficacy as well as accountability to the IPPC Contracting parties.

2. Meeting Arrangements

2.1. Adoption of the agenda

- [4] The FC adopted the agenda (*Appendix 1*) with one edit. Agenda point 5.9 was added to the agenda – Discussion on the presentation of financial documents at CPM-14.

3. Administrative Matters

3.1. Documents list

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

4. Report of Last Meeting and Review of Actions Points

- [6] The FC reviewed pending actions from the last meeting, and clarification was provided on several items in relation to the FC meeting report from October 2018.
- [7] The FC:
- (1) *thanked* the IPPC Secretariat for accomplished actions from the Actions list

5. Consideration of CPM-14 Documents on Finance-related Issues

5.1. Financial report of the IPPC Secretariat for 2018

- [8] Mr. BENOVIC presented the financial report of the IPPC Secretariat for 2018. He noted that in 2018, total resources available to the IPPC Secretariat amounted to USD 6,520,766, comprised of USD 2,944,980 from FAO Regular programme (RP) and USD 3,575,786 from IPPC Extra-budgetary (EB) (contributions and carry-overs).
- [9] Total expenditures from both RP and EB sources in 2018 amounted to USD 5,095,519, comprised of USD 2,979,927 from FAO RP and USD 2,115,592 from IPPC EB funds. The deficit of USD 34,947 in FAO RP resources (0.59% of the biennial allocation) was absorbed by the FAO RP allotment to the IPPC Secretariat for 2019.

- [10] The IPPC Multi-Donor Trust Fund (MDTF) maintained a carry-over (carry-over from 2018 to 2019 is USD 1,475,082 compared to 2017 to 2018 carry-over of USD 1,228,153). In 2018, seven Contracting parties made contributions to the IPPC Multi-Donor Trust Fund.
- [11] In 2018, the IPPC Secretariat completed activities related to IPPC Projects at the level of USD 1.2 million.
- [12] In 2018, the IPPC Secretariat received approximately USD 1.1 million of in-kind contributions from 18 contracting parties, 16 regional organizations and 2 international organizations.
- [13] Ms. YIM thanked the IPPC Secretariat for increasing quality of the financial documents over years.
- [14] The FC:
- (1) *noted* the financial report of the IPPC Secretariat for 2018

5.2 Resource mobilization report of the IPPC Secretariat for 2018

- [15] Mr. XIA briefed the FC on resource mobilization efforts of the IPPC Secretariat in 2018. He noted that in 2018, IPPC Secretariat Task Force for Resource Mobilization (TFRM) met 4 times to plan, operationalize and implement resource mobilization activities of the IPPC Secretariat in order to assist the IPPC Secretary in ensuring sustainable and sufficient funding for fulfilling IPPC strategic objectives.
- [16] With regard to the simplification of the contribution mechanism for the IPPC MDTF, CPM-13 adopted a decision that simplified the way contributions are made to the IPPC MDTF.
- [17] With regard to sustainable funding, progress was made at COAG-26 where an information paper was presented titled: "Successes and challenges of the IPPC". Under the leadership of Australia, COAG-26 strongly urged FAO to increase its Regular programme allotment to the IPPC Secretariat.
- [18] Mr. KOUAME noted that it is important to engage the African region in pursuit of support for the sustainable funding initiative.
- [19] With regard to the IPPC MDTF, 2018 marked a record amount of contributions to the MDTF for a total of over USD 1.1 million. The following Contracting Parties contributed to the MDTF: Canada, Japan, Republic of Korea, USA/NAPPO, Netherlands, New Zealand and Switzerland.
- [20] With regard to IPPC Projects in 2018, the IPPC Secretariat has been managing six projects, out of which two were obtained (or renewed): the EU-funded project to support the 3rd cycle of the IRSS (GCP/GLO/877/EC, 2018-2021) and the STDF-funded project "Rolling out a Systems Approach Globally (MTF/INT/336/STF, 2018-2021). The other four projects are: the STDF-funded ePhyto project (MTF/GLO/688/STF, 2016-2019), the project funded by the EU to support the implementation of the IPPC (GCP/GLO/725/EC, 2017-2019), the FAO-China funded project to strengthen the capacity of developing contracting parties to implement the IPPC (GCP/INT/291/CPR, 2017-2020), and the project funded by Japan to support cooperation for the development of the ePhyto solution (GCP/GLO/827/JPN, 2017-2020).

[21] Mr. XIA stressed that it is important to note that International Year of Plant Health will be celebrated in 2020. At least a USD 1 million should be mobilized in 2019 and 2020 to allow all the planned activities to be performed at the minimum level.

[22] The FC:

- (1) *supported* resource mobilization efforts of the IPPC Secretariat

5.3. Work plan and budget of the IPPC Secretariat for 2020

[23] Mr. BENOVIC briefed the FC on the IPPC Secretariat Work Plan and Budget for 2020, which follows the newly established forward-looking practice where work plan and budgets are presented for approval to CPM to be implemented in subsequent years. The draft includes various improvements, such as: a complete list of staff that comprises the total staff costs is now presented in the budget, FAO budget line indication to be used for better monitoring of expenses, and clear division of activities and results.

[24] This draft follows results-based budgeting principles where activities are closely tied to results which are closely tied to available budgets. It was also noted that all units of the IPPC Secretariat demonstrated a high level of collaboration and interest to clearly outline their future activities and results in one comprehensive document.

[25] The year 2020 is especially important for the IPPC as it will observe the International Year of Plant Health (IYPH) in this year. For clarity and transparency purposes for donors and broader public, the IYPH work plan and budget for 2020 has been separated from other Secretariat activities.

[26] FAO regular programme allotment to the WPB of the IPPC Secretariat for 2020 is expected to be USD 2.945 million. The budget of USD 1.877 million for IPPC MDTF is proposed. The budget for the IPPC Projects implemented by the IPPC Secretariat in 2020 amounts to USD 1.638 million. Expected IPPC In-kind contributions for 2020 will amount to USD 885 thousand.

[27] The FC:

- (1) *endorsed* the IPPC Secretariat work plan and budget for 2020 to be presented at CPM-14

5.4. Sustainable funding mechanism for the IPPC work programme

[28] Ms. RANSOM gave an update on the efforts of Australia and several key contracting parties with regard to the initiative to increase IPPC regular programme funding from FAO.

[29] She advised the FC that in 2018 and early 2019, the CPM Bureau and CPs have been working together with a number of FAO Permanent Representatives to secure support for an increase in the FAO regular programme funding to the IPPC work programme. As a result of this engagement, the FAO Council on Forestry, Council on Commodity Problems and COAG, all recognized the important role of the IPPC and Codex to progressing the FAO objectives and the need for increased funding to support their work. This was recorded in the reports of each meeting, with COAG recommending that the FAO should ensure sustainable funding for the IPPC Secretariat, including from the regular programme budget.

[30] The FC:

- (1) *strongly* supported the initiative of increasing FAO Regular programme allotment to IPPC Secretariat
- (2) *strongly encouraged* CPs to actively support this initiative in FAO governing bodies

5.5. Five year investment plan of the IPPC Secretariat (2021-2025)

- [31] Ms. RANSOM introduced an approach based on linking the IPPC Strategic framework 2020-2030 and resources needed to reach the desired outputs and outcomes of the framework.
- [32] This plan outlines, at a summary level, an estimate of the resources required to implement the first five years (2020-2024) of the IPPC Strategic Framework 2020-2030, and their likely source under current financial governance provisions agreed by the Commission.
- [33] The plan should be read in conjunction with the IPPC Strategic Framework 2020-2030, which describes the key priorities of the Commission during this period.
- [34] The main purpose of the investment plan is to assess the level of resources needed for activities that will help IPPC reach its goals, as set out in the strategic framework.
- [35] The FC:
- (1) *thanked* Ms. RANSOM for finalizing the five year investment plan for the CPM-14
 - (2) *supported* the plan to be presented at CPM-14

5.6. IYPH action plan and budget

- [36] Mr. XIA reminded the FC that the CPM, under the leadership of Finland, proposed the proclamation of an International Year of Plant Health (IYPH) in 2020, which was officially proclaimed by the United Nations General Assembly (UNGA) on 21 December 2018.
- [37] According to the UNGA the resolution, FAO and the IPPC are responsible for facilitating the implementation of the IYPH through extra-budgetary contributions.
- [38] The FC discussed the activities and costs of the IYPH initiative.
- [39] The FC:
- (1) *Stressed* the importance of timely resource mobilization for IYPH

5.7. Status of ISPM 15 Symbol Registration

- [40] The FC briefly discussed the worldwide ISPM 15 symbol registration and its financial implications.
- [41] The FC:
- (1) *supported* the efforts of the IPPC Secretariat in ensuring that ISPM 15 symbol is registered worldwide

5.8. Review of resource implications for eCommerce and Surveillance initiatives

[42] The FC discussed CPM-14 INF 1 and INF 2 papers and thanked the IPPC Secretariat for putting into use the Template for proposals that have budgetary implications.

[43] The FC:

- (1) *supported* the documents to be presented at CPM-14

5.9. Discussion on the presentation of financial documents at CPM-14.

[44] The FC discussed the sequence of how financial documents would be presented at CPM-14 so the information is conveyed to the CPM in the best possible way.

[45] 6. Key Financial issues for consideration

[46] 6.1. Results of needs analysis for IYPH staff requirements

[47] Mr. XIA introduced the results of needs analysis for IYPH staff requirements. At its fifth meeting held on 14-15 February 2019, the IPPC IYPH Steering Committee requested to carry out an analysis of the IPPC Secretariat staff needs in view of the celebration of the IYPH in 2020.

[48] Ms. RANSOM commented that IPPC Secretariat should send a clear message on the level and type of support it needs for IYPH activities.

[49] The FC:

- (1) *Supported* proposal and asked the Secretariat to ensure proper staffing for IYPH

6.2. Sustainability of the ePhyto initiative

[50] Mr. FEDCHOCK updated the FC on the recent developments in the ePhyto initiative. Regarding the financial aspects of the initiative, he noted that to run ePhyto HUB and GENS system sustainably, it would require USD 408,000 per year. Staff costs per year would be around USD 300,000, which brings the total amount to run ePhyto system sustainably to approximately USD 700,000 per year. Once the STDF project is closed at the end of 2019, new resource mobilization efforts will have to be made to ensure sustainable funding solution for the ePhyto system.

The FC:

- (1) *noted* the update on ePhyto activities

7. FC Core activities for 2019

7.1. Support in Resource mobilization for the IPPC Secretariat

[51] Deferred this topic to the CPM Bureau.

8. Any Other Business

None discussed.

9. Next Meeting

[52] The next meeting is scheduled for 6-7 June 2019 in Rome, Italy at FAO-HQ.

10. Closing of the Meeting

[53] 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 this will continue.

APPENDIX 01 – Agenda

| | AGENDA ITEM | DOCUMENT NO. | PRESENTER |
|------|---|--|------------------|
| 1. | Opening of the Meeting | | XIA/WOLFF |
| 2. | Meeting Arrangements | | |
| 2.1 | Adoption of the Agenda | 01_IPPC-FC_2019_March | WOLFF |
| 3. | Administrative Matters | | |
| 3.1 | Documents list | 02_IPPC-FC_2019_March | BENOVIC |
| 4. | Review for Actions Points of the Last Meeting | October 2018 Report | BENOVIC |
| 5. | Consideration of CPM-14 Documents on Finance-related Issues | | |
| 5.1 | Financial report of the IPPC Secretariat for 2018 | 13_CPM_April_2019 | BENOVIC |
| 5.2 | Resource mobilization report of the IPPC Secretariat for 2018 | 12_CPM_April_2019; Power Point Presentation | XIA / BENOVIC |
| 5.3 | Work plan and budget of the IPPC Secretariat for 2020 | 14_CPM_April_2019 | BENOVIC |
| 5.4 | Sustainable funding mechanism for the IPPC work programme | 28_CPM_April_2019 | RANSOM |
| 5.5 | Five year investment plan of the IPPC Secretariat - in relation to the IPPC Strategic Framework 2020-2030 | 30_CPM_April_2019 | RANSOM |
| 5.6 | IYPH action plan and budget | 09_CPM_April_2019 | BENOVIC |
| 5.7 | Status of ISPM 15 Symbol Registration | 31_CPM_April_2019 | BENOVIC |
| 5.8 | Review of resource implications for eCommerce and Surveillance initiatives | CPM-14 INF 1 and INF 2 | FC |
| 6. | Key Financial issues for consideration | | |
| 6.1 | Results of needs analysis for IYPH staff requirements | | XIA |
| 6.2. | Sustainability of ePhyto initiative | | FEDCHOCK |
| 7. | FC Core activities for 2019 | | |
| 7.1 | Support in Resource mobilization for the IPPC Sec. | | FC |
| 8. | Any Other Business | | ALL |
| 9. | Next Meeting | | XIA |
| 10. | Closing of the Meeting | | WOLFF |

APPENDIX 02 – Documents list

| DOCUMENT NO. | AGENDA NO. | DOCUMENT TITLE | POSTED |
|------------------------|-------------------|---|---------------|
| 01_IPPC-FC_2019_March | 2.1 | Agenda | 2019-03-20 |
| 02_IPPC-FC_2019_March | 3.1 | Documents list | 2019-03-20 |
| 13_CPM_April_2019 | 5.1 | Financial report of the IPPC Secretariat for 2018 | 2019-03-20 |
| 12_CPM_April_2019 | 5.2 | Resource mobilization report of the IPPC Secretariat for 2018 | 2019-03-20 |
| 14_CPM_April_2019 | 5.3 | Work plan and budget of the IPPC Secretariat for 2020 | 2019-03-20 |
| 28_CPM_April_2019 | 5.4 | Sustainable funding mechanism for the IPPC work programme | 2019-03-20 |
| 30_CPM_April_2019 | 5.5 | Five year investment plan of the IPPC Secretariat - in relation to the IPPC Strategic Framework 2020-2030 | 2019-03-20 |
| 09_CPM_April_2019 | 5.6 | IYPH action plan and budget | 2019-03-20 |
| 31_CPM_April_2019 | 5.7 | Status of ISPM 15 Symbol Registration | 2019-03-20 |
| CPM-14 INF 1 and INF 2 | 5.8 | Review of resource implications for eCommerce and Surveillance initiatives | 2019-03-20 |

| Document | Agenda item | Content |
|---------------------|--------------------|---------------------|
| October 2018 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 | Follow up on Sustainable funding initiative for the IPPC work programme and increased FAO regular programme support | Oct-18 | IPPC Secretariat | June-18 | In Process |
| 4 | Follow up on Sustainable funding initiative for the IPPC Secretariat voluntary contributions to the IPPC MDTF – follow up on Letter to Ministers | Oct-18 | IPPC Secretariat, CPM Bureau, FC | June-19 | On hold |
| Work Plan and Budget / Planning and Reporting | | | | | |
| 5 | Review IPPC Secretariat financial forms (Work plan and Budget, Financial report, Progress reports) | | | Permanent | Ongoing |
| 6 | Prepare brainstorming session on further improvements of budgetary and financial practices of the IPPC Secretariat – in relation to IPPC Strategic framework 2020-2030 | Mar-19 | IPPC Secretariat | Jun-19 | In Process |
| 7 | Prepare update on Work plan and budget of the IPPC Secretariat for 2019 | Mar-19 | IPPC Secretariat | Jun-19 | In Process |
| 8 | Preliminary Draft of the IPPC Secretariat Work Plan and Budget for 2021 | Mar-19 | IPPC Secretariat | Jun-19 | In Process |
| 9 | Discuss IYPH funding gap analysis and actions proposed | Mar-19 | IPPC Secretariat | Jun-19 | In Process |
| 10 | Issue report on the status of ePhyto contributions under the IPPC MDTF | Oct-18 | IPPC Secretariat | 2019 | In Process |
| Other | | | | | |
| 11 | Produce information package for incoming FC members | Oct-18 | IPPC Secretariat, FC | June-20 | In Process |