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Food and Agriculture
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Продовольственная и
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Объединенных Наций

Organización de las
Naciones Unidas para la
Alimentación y la Agricultura

منظمة
الغذية والزراعة
للأمم المتحدة

COMMISSION ON PHYTOSANITARY MEASURES

Ninth Session

Rome, 31 March - 4 April 2014

IPPC 2014-2015 Biennium Operational Budget

Agenda item 10.3

Prepared by the IPPC Secretariat

I. Presenting the IPPC Operational budget in the 2014-2015 Biennium format

1. In preceding years, the budget for the IPPC was reviewed and approved by the CPM approximately 3-4 months after spending had begun for that year. While in many respects this is not a significant issue, as spending is fairly consistent in the area of the regular programme and Secretariat activities generally do not change significantly from year to year, the process is still ill-timed because the budget would be addressed by the CPM after spending had started. Furthermore, the FAO regular programme allotment is provided to IPPC on a biennium basis and is set by the FAO Conference in the preceding year.

2. In order to further improve financial transparency, the Secretariat is proposing that CPM-9 (2014) reviews and approves the IPPC 2014-2015 biennium operational budget (regular programme and trust funds). It is important to highlight that the creation and efforts of the Financial Committee have improved the overall management of IPPC monies. The Financial Committee meets at least three times a year, is chaired by a member of the Bureau, and receives detailed quarterly information on both regular programme and trust fund income and expenditure. Stewardship of IPPC finances is steadily improving as a result of the efforts of the Secretariat and the Financial Committee.

3. Consequently, in order to bring the IPPC in line with what should be logical and transparent, this document is intended to allow the CPM to note both the 2014 and 2015 regular programme and approve the multi-donor trust fund operational budgets and to note the overall spending programme for both years as well. By approving this document, the result will be that subsequent CPMs will be approving the budget not for the current year in which the CPM is taking place, but for the following year. This means that the budget will be approved before it is begun to be spent rather than 3-4 months after spending has begun; an appropriate and timely process.

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II. FAO Regular Programme Allotment to IPPC for 2014-2015 Biennium

In brief

4. FAO Conference, at its 38th session in June 2013, approved the 2014-2015 biennium allotment to IPPC of USD 5.9 million (USD 2.95 million per year). In developing the budget for 2014 and 2015, the Secretariat proposes spending estimates which would exceed the FAO regular programme allotment by 5.6%. The total proposed regular programme budget is USD 6.232 million for the biennium or USD 3.116 per year (2013 – USD 3.032 million). This slight budget deficit has proved and should continue to prove to be a good driving force for targeting the completion of all IPPC activities. In the budgeting process, the Secretariat takes into full consideration the direction of the CPM, input from the Financial Committee, requirements from FAO regarding specific activities, and mandatory activities required by the Convention itself. Senior Secretariat staff meets on a regular basis to review the budget to ensure that all of the preceding inputs are fully considered and applied.

Operational and Salaries allotment

5. After internal Secretariat discussions, and taking into account all of the inputs above, for 2014 and 2015 the Secretariat plans to spend approximately USD 1.312 million on operational activities (2013 - USD 1.468 million) and USD 1.804 million for personnel (2013 – USD 1.564 million). There is a decrease in operational activities budget mainly because the maintenance charges for the online comment system are now being shared with the Codex Alimentarius. Personnel costs are expected to be higher than the amount spent in 2013 primarily due to increased spending for personnel to work on communications, financial administration and information technology.

Nature of the FAO Regular programme allotment to IPPC

6. It is important to remember that the budget is an estimate and is subject to change due to changing priorities, emergencies or other issues which can arise. The most important matter to keep in mind is that the estimate is consistent with the approved work plan and budget.

7. It is additionally important to note that during the FAO budget reconciliation period that takes place in January of the subsequent calendar year, adjustments are made by FAO financial specialists responsible for the IPPC budget. These specialists ensure that revenue and costs associated with the IPPC Secretariat consistently show a zero balance as the adjustments made are based on data which still lags behind year-end deadlines. As can be seen in the financial report prepared by the Secretariat, the IPPC finished 2013 in balance.

III. Trust Funds

IPPC Multi-donor Trust Fund

8. The Secretariat continues to be fortunate with the Multi-donor trust fund (2013 contributions – USD 383,689). This trust fund, with lower than standard FAO overhead costs (6% instead of 13%), has been able to provide the Secretariat the resources to carry out many activities that otherwise would have been left undone. The estimate for carryover into 2014 is USD 700,000 (2013 – USD 902,252). However, in view of the continuing lack of ongoing contributions to the trust fund, the amount estimated to be carried over into 2015 will likely be significantly less than in previous years. It is hoped that intensified resource mobilization efforts can change this outlook.

9. The Multi-donor 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 by the CPM without additional funding to support the work, the IPPC Multi-donor trust fund will steadily reduce in value. In the absence of either additional voluntary contributions or some other arrangement the number of projects must be reduced. As FAO proceeds with cost-savings activities, it is the strategy of the Secretariat, supported by the Finance Committee to spend from the IPPC Multi-donor Trust fund as it otherwise stands out as a rather large “unused” target for those looking for additional money, or unspent funds.

Implementation Review and Support System (IRSS) and Developing countries participation Trust Funds

10. The Secretariat continues to receive generous resources from the European Union for two key components of the IPPC work programme: the Implementation Review and Support System (IRSS) and the IPPC trust fund for developing countries' participation in IPPC activities. Although at the time of writing the European Commission has not confirmed the final amount to be deposited into either fund in 2014, it has confirmed that it intends to continue to support both of these programmes, albeit at a reduced level from previous years. To compensate for this upcoming reduction, the IPPC Secretariat continues to pursue resource opportunities when they arise; regrettably, very little of substance has been obtained thus far.

Capacity Development Trust Fund

11. The Secretariat has also been fortunate to have a separate capacity development trust fund originally established to manage the work of a project approved by the World Trade Organization's Standards and Trade Development Facility. Additional resources have also been deposited into this trust fund as "baby" projects and it is quickly becoming an additional important resource.

IV. Conclusion

12. Overall, the projected outlook for the IPPC 2014-2015 biennium budget is fair despite diminishing additional resources. Nevertheless, the proposed work programme for both years is expected to be completed.

13. The CPM is invited to:

- 1) *note* the anticipated allotments, contributions and budgeted expenditures of the IPPC Secretariat for 2014-2015 biennium, as presented in Annex 1.
- 2) *note* the IPPC 2014-2015 biennium operational budget for regular programme and approve the IPPC multidonor trust fund, as presented in the Annex to this paper.
- 3) *encourage* contracting parties to contribute to the Trust Fund for the IPPC.
- 4) When possible, *encourage* contracting parties to contribute in-kind to help deliver activities in the CPM's Operational Plan.

Annex 1: IPPC 2014-2015 BIENNIUM OPERATIONAL BUDGET (USD)

IPPC SOs	IPPC Code	Area	IPPC Activity	Budget	RP	IPPC TF	IRSS TF	CD/SWI TF	Particip. TF
Protect sustainable agriculture and enhance global food security through the prevention of pest spread									
A	A040002	1 CD	Missions to assist developing countries in formulating and implementation of phytosanitary projects.	60,000	60,000				
A	A030206	1 SS	Organize 4 Standards Committee meetings and 2 SC-7 to consider member comments and revise draft standards for accuracy, clarity and global applicability.	328,000	280,000				48,000
A	none	1 SS	SC interpreted into requested languages	120,000	120,000				
A	A030302	1 SS	Virtual meetings for internet-based development of standards.	2,000			2,000		
A	A030305	1 SS	Manage the process for reviewing, editing and updating draft and adopted ISPMs.	260,000	260,000				
A	A030307	1 SS	Coordinate the work of 10 Technical Panels (TP) to ensure their work plans are delivered. Hold 6 TP meetings. Reports from these meetings will be posted on the IPP.	70,000				50,000	20,000
A	none	1 SS	OCS Translated into all 6 languages	100,000				100,000	
A	A030309	1 SS	Translation of ISPMs (Translation for draft ISPMs for member consultation into all FAO languages. Draft specifications into En, Es & Fr - no translations for SCCP)	360,000	360,000				
A	A020001	2 COM	The preparation and production of communication material (videos, brochures, posters, etc.).	180,000	60,000	120,000			
			SUB TOTAL	1,480,000	1,140,000	120,000	2,000	150,000	68,000
Protect the environment, forests, and biodiversity from plant pests									
B	A030205	1 SS	8 Expert Working Group meetings Swiss & EU TF will be organized and documents will be developed and posted on the IPP. Reports from these meetings will be posted on the IPP.	280,000				140,000	140,000
B		2 LIAS	Joint work with CBD - Capacity Development and info sharing	50,000	50,000				
B	B040001	1 NRO	2 meetings of the IPPC National Reporting Obligations Advisory Group	30,000	30,000				
			SUB TOTAL	360,000	80,000	0	0	140,000	140,000

IPPC SOs	IPPC Code	Area	IPPC Activity	Budget	RP	IPPC TF	IRSS TF	CD/SWI TF	Particip. TF
Facilitate economic and trade development through the promotion of harmonized scientifically-based phytosanitary measures									
C	C010001	1 CD	Resolution of outstanding ISPM 15 symbol issues and monitoring activity	160,000	160,000				
C	C030101	1 DS	Manage IPPC phytosanitary disputes as they arise.	30,000	10,000	20,000			
C	C030105	1 DS	Arrange one meetings of the SBDS (one regular and one to review)	34,000	34,000				
C	none	1 NRO	National Reporting Obligations	350,000	200,000	150,000			
			Developing country attendance at SPG meetings	40,000					40,000
C	Y010105	2 GOV	Bureau members' attendance at Bureau, SPG meetings and group exposure to subsidiary bodies. Chair and Vice Chair exposure to other region RPPOs	40,000	40,000				
C	C020208	2 GOV CPM	130 participants from developing countries will have their travel costs fully or partially funded to attend CPM-9 and CPM-10 (EC funding)	284,000					284,000
C	C020209	2 GOV CPM	Translation of all CPM-9 and CPM-10 documents and printing.	400,000	400,000				
C	C020210	2 GOV CPM	8 sessions of the CPM-9 and CPM-10 will be interpreted into languages (Ar, Es, Fr, Ru, Zh)	140,000	140,000				
C	C020211	2 GOV CPM	General operating costs and temporary help (e.g., overtime, messengers, etc.) will be hired to assistance in the organization of the CPM-9 and CPM-10 (TAPs and messengers).	60,000	60,000				
C	C020212	2 LIAS	FAO Regional and sub-Regional AGP Officers coordination meetings.	50,000	50,000				
C	C020108	2 LANG	Technical editing in languages of non-CPM materials (eg. PCE, IRSS, Correspondence news, technical resources, communications materials, website (IPP)) and printing	470,000		200,000	120,000	150,000	
C	C020110	2 IT	Hardware and software for the IPPC Secretariat will be maintained and updated (includes service contracts and licenses).	80,000	80,000				
SUB TOTAL				2,138,000	1,174,000	370,000	120,000	150,000	324,000

IPPC SOs	IPPC Code	Area	IPPC Activity	Budget	RP	IPPC TF	IRSS TF	CD/SWI TF	Particip. TF
Develop phytosanitary capacity for members to accomplish A, B and C									
D	D010101	1 CD	Registration, confidentiality agreements and review of the Phytosanitary Capacity Evaluation (PCE)	60,000	60,000				
D	D020201	1 CD	Facilitate at least 6 IPPC Regional Workshops	300,000	40,000				260,000
D	D020102	1 CD	Develop training material to support the implementation of the IPPC capacity development strategic plan (manuals, SOPs and training kits).	744,000				744,000	
D	D020301	1 CD	4 meetings of the CDC to be convened to further develop capacity building work programme.	140,000	70,000			70,000	
D	D020201	1 CD	Facilitate Secretariat participation in up to 14 IPPC Regional Workshops.	60,000	60,000				
D	none	1 CD	Staff for Capacity Development activities	660,000		660,000			
			SUB TOTAL	1,964,000	230,000	660,000	0	814,000	260,000
Effective collaboration with members and stakeholders									
X	X030305	1 REV	ePhyto.	100,000		100,000			
X	B040002	2 WEB	Coordinate web activities	120,000		120,000			
X	X020202	2 LIAS	Cooperation and partnership activities with organizations with similar mandates (including the WTO SPS, STDF, CBD)	70,000		70,000			
X	X020206	2 LIAS	International organizations: Secretariat participation in at least 20 relevant meetings with organizations such as: IMO, CITES, WCO, ISTA, ISF, CGIAR, ISO.	50,000		50,000			
X	X020207	2 LIAS	Projects and other initiatives: Secretariat to participate in at least 4 relevant meetings with other plant health related organizations and initiatives such as: the PAN-SPSO, COPE, 3 STDF related activities, international pest risk advisory group and IFQRG	20,000		20,000			
X	X020302	2 LIAS	Regional organizations: Secretariat to participate in 2 TC among RPPOs, and RPPO annual meetings (COSAVE, APPPC, and NEPPO), and IAPSC.	50,000		50,000			
			SUB TOTAL	410,000	0	410,000	0	0	0

IPPC SOs	IPPC Code	Area	IPPC Activity	Budget	RP	IPPC TF	IRSS TF	CD/SWI TF	Particip. TF
Efficient and effective administration									
Y	none	2 PUB	Report writing, editing and formatting of IPPC documents	100,000		100,000			
Y	D0301	2 IRSS	IRSS - Identify and analyze constraints and gaps in the implementation of the IPPC and ISPMs	964,000		160,000	804,000		
Y	Y040106	2 IT	Maintain the On-line Comment System (OCS) to allow all countries to provide comments on draft ISPMs on-line.	20,000		20,000			
Y	Y010103	2 MANG	Secretariat staff will be trained and personally developed.	20,000		20,000			
			SUB TOTAL	1,104,000	0	300,000	804,000	0	0
			TOTAL FOR 2014-2015 BIENNIUM	7,456,000	2,624,000	1,860,000	926,000	1,254,000	792,000

Abbreviations used in the table:

CD: Capacity Development / **SS:** Standards Setting/ **COM:** Communication/ **LIAS:** Liaison/ **NRO:** National Reporting Obligations/ **DS:** Dispute Settlement / **GOV:** Governing / **CPM:** Commission on Phytosanitary Measures / **LANG:** Languages / **PUB:** Publications / **MANG:** Management