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INTERIM COMMISSION ON PHYTOSANITARY MEASURES

Seventh Session

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Long Term Funding Options

Agenda Item 8.4.2 of the Provisional Agenda

1. In 2003, the Informal Working Group on Strategic Planning and Technical Assistance (SPTA) discussed the funding of the IPPC. The SPTA agreed that long-term funding options should be analysed, taking into account the need for regular funding for activities and staff and the fact that the IPPC budget is critically dependent on the overall priorities of FAO Members. It recommended to ICPM-6 that a Focus Group meet in 2004 to consider long-term funding arrangements. ICPM-6 agreed to the SPTA proposal and established a Focus Group to analyze long-term funding options for consideration by the SPTA in 2004 and the ICPM in 2005. See ICPM 6 Report, Paragraph 75.3.

2. At its meeting in July 2004 the Focus Group (FG) discussed possible long-term funding options for the IPPC. The FG believed that there are a considerable number of funding options which may be applied on their own or be combined with each other. The Focus Group characterized four main funding models and analysed their strengths and weaknesses as well as the threats and opportunities they may contain. The four funding models were:

Model 1: IPPC independent budget (housed in FAO but budget separate)

Model 2: FAO budget and country contributions

Model 3: FAO budget and service charges or fees

Model 4: Continuation of the current system

3. In its analysis of funding options the Focus group realised that many of the attributed strengths and weaknesses are speculative. For this reason the Focus Group felt unable to give a definite recommendation as to what kind of long-term funding strategy should be followed. Instead the Focus Group recommended that an in-depth evaluation of the IPPC and its funding should be conducted. It recommended that there should be a two stage approach to an evaluation. Stage one would be the immediate evaluation of funding components. Stage two, undertaken at a later stage, would make an evaluation of the structure and operational matters of the IPPC. This second stage would be initiated now, so it could be in the programme for 2006 and accomplished by 2006/07.

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4. The Focus Group that met in July 2004 also recommended that in order to evaluate possible funding components, a consultant should be contracted who is familiar with international funding possibilities. This consultant should work in association with a small expert group from the ICPM, according to specified terms of reference, to resolve or evaluate funding options for the ICPM. The Focus Group developed terms of reference for the small expert group and recommended them to the SPTA.
5. At its meeting in October 2004 the SPTA reviewed the proposal made by the Focus Group and agreed to the two stage approach of an evaluation. The SPTA slightly modified the recommendations of the Focus Group meeting of July 2004, and recommended that the first stage would be to recruit a consultant to study various funding options (see Annex I). The consultant would be supported by a new Focus Group, composed of an extended Bureau, to deal with phytosanitary considerations in the proposal. The second stage would be undertaken at a later time, and would be an evaluation of the ICPM infrastructure, the IPPC Secretariat, and the outputs and outcomes of the system.
6. This two stage approach to evaluate the IPPC and its funding, recommended by the SPTA to the ICPM, is set forth in Annex I. Proposed terms of reference for the new Focus Group assisting the consultant in stage one of the evaluation are given in Annex II.
7. The ICPM is invited to:
 1. *Consider* the two stage approach for an evaluation of the IPPC and its funding.
 2. *Decide* that an evaluation of the IPPC funding and structures should be initiated.
 3. *Adopt* the recommendations made in Annex I and Annex II.

Annex I**TWO STAGE APPROACH TO EVALUATE THE IPPC AND ITS FUNDING****I. Stage One: Evaluation of Funding Options for the IPPC**

- Recruitment of a consultant familiar with international funding possibilities to analyse funding options for the IPPC.
- Establishment of a new Focus Group, composed of an extended Bureau, assisting the consultant in its task according to terms of reference laid down in Annex II.
- The evaluation should be carried out in 2005 and reported to ICPM-8 in 2006, through the SPTA in 2005.

II. Stage Two: Evaluation of the IPPC and its Structures

- The evaluation of the IPPC and its structures should be carried out before the entry into force of the IPPC 1997.
- Dependent on the availability of resources including the resources from the FAO evaluation service, this evaluation should take place in 2007.

Annex II**Terms of Reference****Focus group to conduct an analysis of the potential funding arrangements of the IPPC**

1. A consultant will be recruited to study current funding arrangements of the IPPC Secretariat, the ICPM and all associated meetings and with this background propose a series of practical potential options as future funding arrangements which will provide the ICPM with increased funding resources.
2. These options will be presented to a focus group, comprised of an extended ICPM Bureau to provide input on Phytosanitary considerations to these options.
3. The group will consider the practical and legal implications of each option, the advantages and disadvantages of adopting each option, and the impact each would have on the budget and the activities of the ICPM.
4. The group will make recommendations to the ICPM 8 through the SPTA meeting in 2005 for a series of options that should provide increased resources for the ICPM clearly indicating their preferred options with the supporting reasoning.
5. The analysis will be conducted between April 2005 and September 2005.