



REPORT

Beijing, China

20 June 2016

**IPPC Financial
Committee
June, 2016**



Food and Agriculture Organization of the United Nations

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1. Opening of the meeting

- [1] The IPPC Secretary opened the IPPC Financial Committee (FC) meeting and welcomed all the participants to Beijing, China, saying that history was being created since it was the first FC meeting outside of Rome. He stressed his intention to strengthen financial reporting for accuracy, efficiency, transparency and promote resource mobilization. He expressed his opinion that these issues are on the right track. He suggested that the focus of the spring FC meeting should be focus on the financial analysis in order to present a constructive report to CPM, the main topic of the June FC meeting should be focus on the resource mobilization, and the October FC meeting should focus on budget planning for the subsequent year.
- [2] The Chairperson of the IPPC Financial Committee (FC) welcomed the FC members and opened the meeting. She noted that the focus of this meeting should be a review of the current financial situation and the discussion on sustainable funding for the IPPC Secretariat.

2. Adoption of the Agenda

- [3] The FC adopted the agenda (Appendix 1).

3. Housekeeping

- [4] The Secretariat introduced the Documents list (Appendix 2) and noted that the following FC members participated in the meeting: Ms Marie-Claude FOREST (Canada/Chair), Ms Lois RANSOM (Australia), Mr Lucien KOUAME KONAN (Côte d'Ivoire), Mr Ralf LOPIAN (Finland). From the Secretariat, Mr Jingyuan XIA, Mr Craig FEDCHOCK and Mr Marko BENOVIC participated.
- [5] A list of action points is attached in Appendix 3.

4. Update on Budget Execution of the IPPC Secretariat for 2016

- [6] The Secretariat provided an update on the execution of the IPPC Secretariat Work Plan and Budget for 2016. The budget execution of the IPPC Secretariat as of 31 May 2016 covers all budgets administered presently by the IPPC Secretariat, including the FAO regular programme, the IPPC multi-donor trust fund and the IPPC projects. As of 31 May 2016, the IPPC Secretariat executed 59% of the overall budget for 2016.
- [7] The IPPC Multi-donor trust fund budget for 2016 is USD 954 thousand (with the budget deficit of 112%). By 31 May 2016, 49% of the budget was executed which is in line with the available cash. Further execution requires more resources. The balance of the IPPC Multi-donor trust fund as of 31 May 2016 at USD 222 thousand is the lowest balance at this date for the last five years.
- [8] The IPPC Projects budget execution was on track. Up to 31 May 2016, 53% of the total budget was executed.
- [9] As of 31 May 2016, the IPPC Secretariat financial position was stable and on track in the regular programme. As for the IPPC Multi-donor trust fund, the decreasing trend in contributions represents a threat to capacity development activities in 2016 and onwards as the current amount of contributions is not enough to sustain the full work programme.
- [10] One FC member noted that more clarity is needed on the cost structure of the Secretariat. She emphasized that this will be especially important once the Secretariat starts presenting options on sustainable funding to CPM. One FC member suggested that instead of "Budget execution" this section should be named "Budget performance" in future.

[11] The FC:

- *noted* the financial position of the IPPC Secretariat as of 31 May 2016.
- *suggested* improvements to the reporting format.

5. Update on Resource Mobilization of the IPPC Secretariat for 2016

[12] The IPPC Secretary updated the FC on the resource mobilization efforts of the IPPC Secretariat and the current resources.

[13] Overall, budgeted resources available to the IPPC Secretariat for 2016 amounted to USD 4.759 million, USD 2.950 million from Regular programme (62%), USD 1.809 million from IPPC Multi-donor trust fund and IPPC-Projects (38%), while planned staff costs are USD 2.961 million (62%), and operational costs USD 1.798 million (38%).

[14] The Secretary informed the FC that the IPPC Multi-donor trust fund situation is critical and that 3 staff funded by the trust fund are at risk of being laid off from 1 January 2017 due to the lack of funds. Future funding for 3 staff funded by the IRSS EU project is also uncertain, despite the informal assurance from the EU that the project will be continued.

[15] He also noted that Secretariat *increased awareness* of its resource situation through presenting reports on its financial situation and resource mobilization at CPM Bureau at the March/April 2016 meeting, FC in April 2016, and CPM 11; *made an in-depth analysis* on the current situation of finance and resource mobilization faced by the IPPC Secretariat; *demonstrated a clear demand for short (emergent pests initiative), and long term financial support* to the IPPC Work Programme.

[16] The Secretary reported that the Secretariat is active in maintaining close contact with its donors and partners, especially with EU, STDF, Australia, Canada, France, Korea, New Zealand, Switzerland, USA, and others.

[17] The Secretariat is also active in engaging with new donors, such as with BRICS countries, where China would be the first donor to support the IPPC work programme with the USD 2.0 million project (2017-2020) under the framework of the FAO-China South-South Cooperation.

[18] The FC:

- *noted* the recent resource mobilization efforts and the critical financial position of the Secretariat.
- *asked* the Secretariat to identify and qualify in-kind contributions in resource mobilization and budget reports. It was thought that there should be the possibility to record cash and cash-equivalent contributions
- *decided* that a letter should be written to all CPs for the solicitation of resources to replenish the MDTF. Ideally, the letter would be personally signed by the DG of FAO. The Bureau decided to investigate on how to approach the DG and would author the proposed letter by mid-August.

6. Report of Last Meeting and Review of Actions Points

[19] There were no comments on the FC April 2016 report.

[20] The FC reviewed the pending actions from the last meeting and updated the action list.

[21] The FC:

- *requested* that the Secretariat uploads future Reports to the IPP Work area in addition to the IPP Webpage.

7. IPPC Secretariat Work Plan and Budget for 2017

[22] The Secretariat presented the updated outline of the IPPC Secretariat Work Plan and Budget for 2017.

[23] The FC:

- *requested* the Secretariat to prepare the IPPC Secretariat Work Plan and Budget for 2017 and to send the draft to the FC for review two weeks prior to the October meeting.
- *advised* the Secretariat to keep only the 3 pillars (work areas) in the work plan and budget planning: governance and management, standard setting and implementation facilitation. Coordination and support activities should be a sub-part of governance and management.

8. Sustainable Funding for the IPPC Work Programme

8.1 Immediate funding for emergent pests of global concern

[24] The IPPC Secretary introduced for discussion a paper that outlines global problems in relation to emergent pests and its impact on the environment and human life in general.

[25] The IPPC Coordinator stressed that, while most developed countries can access the resources necessary to eradicate a damaging plant pest, developing countries cannot. Examples of emergent pests include devastation wreaked by *Tuta absoluta* in Africa (most recently as discussed by CNN in Nigeria), as well as the increasing infestation rate of *Xylella fastidiosa* in Europe and *Bactrocera dorsalis* in Korea.

[26] Cooperation of the IPPC with FAO Emergency Prevention System (EMPRES) was discussed.

[27] The Secretariat proposed that a new trust fund be created for specific purpose of battling the emergent pest issues.

[28] The FC:

- *welcomed* the initiative of establishing a trust fund for emergent pests of global concerns.
- *asked* the Secretariat to refine the proposal to include more specifics (e.g. criteria for identifying/choosing emergent pests) to be presented in future FC/Bureau meetings.

8.2 Short and long term of financial support to the IPPC work programme

[29] For short term funding, see decisions under Agenda item 5.

[30] The Secretariat presented a paper on the sustainable long term funding strategy of the IPPC Secretariat. This initiative originated in the past Bureau and FC meetings when funding difficulties of the Secretariat were discussed.

[31] The Secretariat presented a proposal for assessed voluntary contributions where each Contracting party would have a share in extra-budgetary funding of the IPPC Secretariat. Two alternative rankings of Contracting parties were presented based on macroeconomic data. The first proposal ranked

Contracting parties based on total imports per country and the second one ranked Contracting parties based on the total plant products trade volume per country.

[32] Both proposals included a cap of USD 200,000 per country and a minimum of USD 500 per country.

[33] FC members commented on the proposal and were generally supportive. Their comments included suggestions that this topic is broad and that it should be approached carefully due to the impact it might have to Contracting parties. It was also mentioned that a broad consensus among contracting parties should be reached.

[34] One member cautioned against releasing the two rankings as this is likely to pre-empt and potentially divert full debate on a future funding model.

[35] The FC:

- *welcomed* the initiative and asked the Secretariat to prepare a paper for the SPG October meeting for further discussion and for receiving feedback from the SPG.

9. Progress of IYPH 2020

[36] A FC member briefed the FC on the recent progress in the organization of the International Year of Plant Health (IYPH) initiative in 2020.

[37] He reported that at CPM-11 (2016) there was good support for all the future IYPH activities proposed. With respect to the IYPH work programme, the CPM noted the preliminary time and work schedule for the IYPH 2020 and agreed on the valuable support role RPPOs can and should play in the IYPH.

[38] Crucial to the elaboration of these activities and development of a more detailed IYPH work programme will be the establishment and operationalization of the IYPH Steering Committee (IYPH StC).

[39] The Secretariat and Mr. Ralf Lopian have been holding monthly Skype meetings with a view to coordination and ensuring Secretariat's support for the various IYPH activities already planned for 2016, and in some cases also in 2017.

[40] The FC:

- *noted* the report and thanked Mr. Ralf Lopian for his work on this important initiative.

10. Next Meeting

[41] The next FC meeting is scheduled for 3 October in Rome, Italy. The Secretary reminded the FC members to check the IPP Calendar regularly for updates.

11. Close of 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 fruitful in the future.

Appendix 01 – Agenda

AGENDA ITEM	PRESENTER	DOCUMENT NO
1. Opening of the Meeting	Xia (the IPPC Secretary)/ Forest (the FC Chair)	
2. Adoption of the Agenda	Forest	01_IPPC-FC_2016_June
3. Housekeeping	Fedchock (the IPPC Coordinator)	
- Documents list - Participants list - Local information		02_IPPC-FC_2016_June 02_Bureau_2016_Jun 04_Bureau_2016_Jun
4. Update on Budget Execution of the IPPC Secretariat for 2016	Xia/Benovic	26_Bureau_2016_Jun
5. Update on Resource Mobilization of the IPPC Secretariat for 2016	Xia/Fedchock	09_Bureau_2016_Jun
6. Report of Last Meeting and Review of Actions Points	Forest	April 2016 Report
7. Work Plan and Budget of the IPPC Secretariat for 2017	Xia/Benovic	25_Bureau_2016_Jun
8. Sustainable Funding for the IPPC Work Programme	Fedchock/Xia	
- Immediate funding for emergent pests of global concern - Short and long term of financial support to the IPPC work programme		15_Bureau_2016_Jun 11_Bureau_2016_Jun
9. Progress of IYPH 2020	Lopian	28_Bureau_2016_Jun
10. Next Meeting	Forest	
11. Any Other Business	Forest/Xia	

Appendix 02 – Documents list

DOCUMENT NO.	AGENDA NO.	DOCUMENTTITLE	POSTED
01_IPPC-FC_2016_June	2	Provisional Agenda	2016-06-16
02_IPPC-FC_2016_June	3	Documents list	2016-06-16
26_Bureau_2016_Jun	4	Update on Budget Execution of the IPPC Secretariat for 2016	2016-06-16
09_Bureau_2016_Jun	5	Update on Resource Mobilization of the IPPC Secretariat for 2016	2016-06-16
25_Bureau_2016_Jun	7	Work Plan and Budget of the IPPC Secretariat for 2017	2016-06-16
15_Bureau_2016_Jun	8	Immediate funding for emergent pests of global concern	2016-06-16
11_Bureau_2016_Jun	8	Short and long term of financial support to the IPPC work programme	2016-06-16
28_Bureau_2016_Jun	9	Progress of IYPH 2020	2016-06-16

Document	Agenda item	Content
Report from last meeting	6	FC 2016 April Report

Appendix 03 – Action list

ACTION	Action from	Responsible	Deadline	Status
Estimate total annual translation and interpretation cost	Jun-14	IPPC Secretariat	2015	Accomplished
Update IPPC General Financial outlook document as described	Jun-14	IPPC Secretariat	2015	Accomplished
Paper on International Year of Plant Health presented at CPM-10	Oct-14	IYPH Steering group, IPPC Secretariat	2015	Accomplished
IPPC Secretary and Coordinator to meet ADG-AG to inquire about the future of regular programme funding	Oct-14	IPPC Secretariat	2015	Accomplished
Initiate 2016-2017 budget (taking into account Enhancement evaluation)	Oct-14	IPPC Secretariat, FC	2015	Accomplished
Review financial implications of CPM-10 decisions	Mar-15	FC	2015	Accomplished
Prepare for a list of the current activities with precise costs so that these figures can be used to budget new activities.	Mar-15	IPPC Secretariat	In time for the 2016-2017 budget development	Accomplished
Describe specific activities that would need to be stopped in case there would not be a USD 1.2 mio replenishment.	Mar-15	IPPC Secretariat	For FC June	Accomplished
FC strongly recommended that immediate resource mobilization activities are undertaken by the IPPC Secretariat and the CPM Bureau.	Jun-15	IPPC Secretariat, Bureau	2015	Accomplished/Ongoing
2016 Annual work plan and budget would need to be developed and discussed at the next FC meeting	Jun-15	IPPC Secretariat	For FC Oct	Accomplished
FC asked that graphical aids regarding the human resources and their sources of finance be added to the annual work plan and budget	Jun-15	IPPC Secretariat	For FC Oct	Accomplished
Append Table 3 of 05_IPPC-FC_2015_March and a list of in-kind contributions to the CPM report.	Mar-15 [21]	IPPC Secretariat	CPM report finalization	Accomplished

Develop a figure on TF expenditures by core activities (as Figure 3 of 05_IPPC-FC_2015_March for the next Financial report.	Mar-15 [21]	IPPC Secretariat	2016	Accomplished
Matters concerning the International Year of Plant Health 2020 (IYPH 2020) should be identified as independent agenda items on the agenda of future FC meetings.	Jun-15	IPPC Secretariat	For FC Oct	Accomplished
Develop a figure on TF expenditures by core activities (as Figure 3 of 05_IPPC-FC_2015_March for the next Financial report.	Mar-15 [21]	IPPC Secretariat	2016	Accomplished
Prepare for a list of the current activities with precise costs so that these figures can be used to budget new activities.	Mar-15 [34]	IPPC Secretariat	In time for the 2016-2017 budget development	Accomplished
Matters concerning the International Year of Plant Health 2020 (IYPH 2020) should be identified as independent agenda items on the agenda of future FC meetings.	Jun-15	IPPC Secretariat	For FC Oct	Accomplished
Develop guidelines for sponsorship of standards	Oct-14	IPPC Secretariat, FC	To be decided	Postponed
The FC invited the Secretariat to prepare a draft FC 2016 work plan for the next FC meeting.	Oct-15	IPPC Secretariat	For FC April	Accomplished
FC asked Mr Konan to work with the Secretariat in preparing a list of 5-10 potential developing country donors and draft letters to approach these.	Oct-15	IPPC Secretariat	For FC April	Accomplished
FC Agreed to discuss the set up for ISPM 15 mark registration maintenance in a future meeting (2017).	Oct-15	IPPC Secretariat	2017	In process
Secretariat to identify and qualify in-kind contributions in resource mobilization and budget reports.	Jun-2016	IPPC Secretariat	2017	In process
Letter should be written to all CPs for the solicitation of resources to replenish the MDTF. Ideally, the letter would be personally signed by the DG of FAO. The Bureau decided to investigate on how to approach the DG and would author the proposed letter by mid-August.	Jun-2016	Bureau, FC, IPPC Secretariat	Check progress in October meeting	In process

Secretariat to upload future Reports to the IPP Work area in addition to the IPP Webpage.	Jun-2016	IPPC Secretariat	2016	In process
Secretariat to prepare the IPPC Secretariat Work Plan and Budget for 2017 and to send the draft to the FC for review two weeks prior to the October meeting.	Jun-2016	IPPC Secretariat	2016	In process
Secretariat to prepare a paper on sustainable funding of the IPPC Secretariat for the SPG October meeting for further discussion and for receiving feedback from the SPG.	Jun-2016	IPPC Secretariat	Oct-2016	In process
IYPH Action points				
Plan donor conference for 2020	Oct-14	IPPC Secretariat, FC	To be decided	In process
Dedicated brochure for the IPPC in relation to the International Year for Plant Health (IYPH) should be developed	Jun-15	IPPC Secretariat	2015/2016	In process