



***REPORT***

**Rome, Italy**

**3 October 2016**

# **IPPC Financial Committee**

## **October, 2016**



**Food and Agriculture Organization of the United Nations**

## CONTENTS

1. Opening of the Meeting.....	3
2. Adoption of the Agenda .....	3
3. Housekeeping .....	3
4. Report of Last Meeting and Review of Actions Points.....	3
5. Update on Resource Mobilization.....	4
5.1. Progress report on resource mobilization of the IPPC Secretariat.....	4
5.2. Progress report on financial support to IYPH 2020.....	4
6. ISPM15 Symbol Registration: Progress on Reimbursements .....	5
7. New and Emerging Issues .....	5
7.1. IPPC Secretariat Work Plan and Budget for 2017.....	5
7.2. Sustainable funding mechanism (i.e. emergent issues, short term funding and long term funding) .....	6
7.3. CPM-12 in the Republic of Korea .....	6
7.4. Donor conference.....	6
8. Any Other Business.....	6
9. Next Meeting.....	6

## APPENDICES

Appendix 01 – Agenda .....	7
Appendix 02 – Document List.....	8
Appendix 03 – Action list .....	9

## 1. Opening of the Meeting

- [1] The IPPC Secretary, Mr. Jingyuan XIA, opened the IPPC Financial Committee (FC) meeting and welcomed all the participants to Rome, Italy, saying that it was the first FC meeting in Rome with new membership. He stressed his intention to strengthen IPPC Secretariat financial management and promote resource mobilization. He expressed his opinion that these issues are on the right track. He suggested that the focus of this FC meeting should be the IPPC Secretariat Work Plan and Budget for 2017 and the discussion on the sustainable funding mechanisms.
- [2] On behalf of the IPPC Secretariat, he expressed a special welcome to Mr. Francisco TRISTANTE, Observer from European Commission, to the FC meeting. He noted that EU is the single largest donor to the IPPC Secretariat and he thanked him for that.
- [3] He informed the FC that Mr. Craig FEDCHOCK formally retired in July, but will remain in the Secretariat as the IPPC Adviser. He also informed the FC that Mr. David NOWELL, NRO Officer, joined FAO mobility program after 18 years of working for the IPPC Secretariat and will work for FAO in its Latin America regional office.
- [4] Ms. Lois RANSOM, the Chair of the CPM, informed the participants that Ms. FOREST, the FC Chairperson, would not be present at the meeting due to family emergency and that she would chair the meeting. She welcomed the FC members and opened the meeting. She also noted that the focus of this meeting should be the IPPC Secretariat Work Plan and Budget for 2017 and the discussion on the sustainable funding mechanisms and consideration of the desired outcome of the SPG discussion on the latter topic.

## 2. Adoption of the Agenda

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

## 3. Housekeeping

- [6] The Secretariat introduced the Documents list (Appendix 2) and noted that the following FC members participated in the meeting: Ms Lois RANSOM (Australia), Mr Lucien KOUAME KONAN (Côte d'Ivoire), Mr Ralf LOPIAN (Finland). Mr. Francisco TRISTANTE (EC) participated as Observer. From the Secretariat, Mr Jingyuan XIA, Mr Craig FEDCHOCK and Mr Marko BENOVIC participated.
- [7] A list of action points from the previous meetings is attached in Appendix 3.

## 4. Report of Last Meeting and Review of Actions Points

- [8] There were no comments on the FC June 2016 report.
- [9] The FC reviewed the pending actions from the last meeting and:
- *requested* the Secretariat to prepare a tri-fold draft brochure/factsheet on the IPPC and highlight its contribution to food security, trade facilitation, environment protection, capacity development, etc. This brochure/factsheet should also include description on how donors can contribute to the Secretariat activities.
  - *Suggested* several improvements to the action list including dividing action items into permanent and temporary, numbering them and linking them to the FC work programme

## 5. Update on Resource Mobilization

### 5.1. Progress report on resource mobilization of the IPPC Secretariat

- [10] The IPPC Secretary updated the FC on the resource mobilization efforts of the IPPC Secretariat and the current resources.
- [11] Stemming from the June meeting as an Action point, he noted that the Secretariat, together with the Bureau, drafted the Letter to be addressed by DG to Contracting parties and included the in-kind contributions in its update on resource mobilization.
- [12] 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%).
- [13] The Secretary informed the FC that the IPPC Multi-donor trust fund situation is still critical and that several staff funded by the trust fund will be at risk of not being continued from 1 January 2017 due to the lack of sufficient funds.
- [14] 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/June 2016 meetings, FC in April/June 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.
- [15] The Secretary reported that the Secretariat is active in maintaining close contact with its donors and partners, especially with EU, STDF, Australia, Canada, France, Japan, Korea, New Zealand, Switzerland, USA, and others.
- [16] The Secretariat is also active in engaging with new donors, such as with Brazil, Russia, India, China and South-Africa (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. Brazil also expressed interest in this type of projects.
- [17] FC members discussed in depth which resource mobilization activities would yield the most success. Apart from traditional ways of reaching donors, the FC welcomed new approach including the letter from DG to contracting parties. It supported Secretariat efforts to make resource mobilization trips to donors and seek funding through direct contact with donors, as well as at any occasion, meeting or event.
- [18] The FC:
- *noted* the recent resource mobilization efforts and the critical financial position of the Secretariat.
  - *cautioned* that general funding from donors should support core programs and outcomes of the IPPC and that we should not be directed by funds into non-core areas

### 5.2. Progress report on financial support to IYPH 2020

- [19] Mr. Ralf LOPIAN noted that progress on IYPH 2020 is going well and that the current focus is on the establishment of the IYPH Steering Committee (StC) with its first meeting to be held at the beginning of November. The FC discussed the financial aspects of the IYPH and believed that it may encourage further contributions of extra-budgetary resources if future financial reports specify separately what financial contributions had been received and what the detailed expenditures were for the IYPH 2020. The FC believed that financial contributions earmarked for the promotion of the proclamation of the IYPH 2020 should be spent only for expenditures related to the IYPH 2020.

[20] The FC:

- *thanked* Mr. Lopian for his efforts on the IYPH initiative

## 6. ISPM15 Symbol Registration: Progress on Reimbursements

[21] The Secretariat briefed the FC on the recent developments with regard to the ISPM 15 symbol registration renewal cost reimbursement process. As of 30 September 2016, 14 out of 52 CPs reimbursed USD 7,400 out of the total cost of USD 14,200 that incurred for the Secretariat for this service. Secretariat noted that while the delay in receiving reimbursements does not have significant impact on the Secretariat, it is a good indicator on how this way of funding might not be the best way forward in relation to the sustainable funding mechanism for the Secretariat.

[22] FC members discussed whether it would be useful to determine if there were countries that would never register the symbol, because they do not use it. A risk assessment could inform whether these countries post any risk to controls on the use of the symbol. Secretariat noted that FAO legal office decided to register the symbol globally in all the contracting parties because potential risk of fraud, however little, should not be borne because the cost of registration is usually not significant relative to the risk.

[23] The FC:

- *noted* the progress on ISPM 15 symbol registration renewal cost reimbursement

## 7. New and Emerging Issues

### 7.1. IPPC Secretariat Work Plan and Budget for 2017

[24] The Secretariat introduced the IPPC Secretariat Work Plan and Budget for 2017. He noted that in 2014, the IPPC Secretariat Enhancement Evaluation Recommendation no. 1 stated that: “One annual work plan and budget for the Secretariat should be developed and approved by the Bureau”. Following this recommendation, in 2015 the Secretariat developed the first work plan and budget that featured improvements in relation to transparency, comprehensiveness and clarity.

[25] In June 2016, the CPM Bureau and Financial Committee (FC) intensively discussed the way forward on the IPPC Secretariat Work Plan and Budget for 2017.

[26] After the Bureau and FC meetings in June 2016, the IPPC Secretariat initiated a thorough process to develop the work plan and budget for 2017 which is even more transparent, comprehensive and reflective of the recommendations from the Enhancement Evaluation and inputs from the Bureau and FC. At the direction of the IPPC Secretary, a Secretariat task force on the Annual Work Plan and Budget developed the draft of the IPPC Secretariat Work Plan and Budget for 2017 for discussion and approval at the CPM Bureau and FC meetings in October 2016.

[27] The Secretariat noted that the execution of the IPPC Secretariat Work Plan and Budget for 2017 is expected to further advance the IPPC mission and contribute to global efforts in food security, trade facilitation, environment protection and climate change.

[28] With respect to budget allocations, the FAO Regular Programme allotment to the IPPC Secretariat for 2017 is USD 2.95 million, and the Secretariat work plan and budget for 2017 is allocated without any budget deficit for the regular programme. IPPC Multi-donor Trust Fund budget of USD 1.085 million (budget deficit 55%) is proposed which takes into account approximate 2016/2017 carry-over of USD 0.7 million and expected contributions of USD 0.4 million in 2017. The IPPC projects budget of USD 1.7 million is going to be administered by the IPPC Secretariat. Each project has its own work plan and budget. Expected in-kind contributions will amount to USD 0.62 million.

[29] The FC:

- *thanked* the Secretariat on its efforts to improve financial planning and reporting year-to-year

- *Suggested* the following improvements to the 2017 work plan and budget format
  - o a short description of each project to be added as Appendix 3 to the main document
  - o totals for each activity are added
  - o IYPH 2020 to become more prominent – a separate point 1.2.8 under Coordination and Support sub-pillar
- *recommended* to the Bureau the adoption of the IPPC Secretariat Work Plan and Budget for 2017

## **7.2. Sustainable funding mechanism (i.e. emergent issues, short term funding and long term funding)**

[30] The FC noted that this topic has been discussed at length at June meeting of the Bureau and FC and that it is now up to SPG to decide on the way forward on these topics. FC expects to build on inputs from SPG and develop a proposal for CPM-12.

[31] The FC:

- *Decided* to continue to work on the sustainable funding mechanism for the IPPC Secretariat once it receives further input from SPG

## **7.3. CPM-12 in the Republic of Korea**

[32] The Secretariat briefed the FC on the recent developments on the practical arrangements for the organization of the CPM-12 in the Republic of Korea. He noted that the Memorandum of Understanding is close to be signed and that the Secretariat has already started discussing financial arrangements for the organization of the meeting. For now, it is sure that the Secretariat and Korea will share interpretation costs and that Korea will fund certain amount of travel costs for the Secretariat and Asian participants.

[33] The FC:

- *Noted* the report

## **7.4. Donor conference**

[34] The Secretariat briefed the FC on the initiative that alongside the proclamation of the IYPH, a donor conference might be held in 2020 – ideally, at the occasion of a ministerial CPM. He noted that this initiative may be linked to the adoption of a sustainable funding mechanism for the IPPC at CPM-15 in 2020.

[35] The FC:

- *Noted* the report and *supported* the initiative

## **8. Any Other Business**

[36] The FC noted that Kenya proposal for a regular, possibly biennial IPPC “International Phytosanitary Conference” might have financial implications for the IPPC and that SPG decision on this initiative should be closely followed.

[37] FC invited Mr. Tristante to make any comments. He appreciated the invitation to attend as an observer and had a clearer appreciation of the IPPC financial situation and processes. Mr Xia invited him to a subsequent meeting of the FC as an Observer.

## **9. Next Meeting**

[38] The FC Chairperson thanked all FC members, Observer from EC 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. Next meeting is scheduled prior to CPM-12, in April 2017.

**Appendix 01 – Agenda**

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

**Appendix 02 – Document List**

<b>DOCUMENT NO.</b>	<b>AGEND A NO.</b>	<b>DOCUMENT TITLE</b>	<b>POSTED</b>
01_IPPC- FC_2016_June	02	Provisional Agenda	2016-06-16
02_IPPC- FC_2016_June	03.	Documents list	2016-06-16
26_Bureau_2016_Jun	04.	Update on Budget Execution of the IPPC Secretariat for 2016	2016-06-16
09_Bureau_2016_Jun	05.	Update on Resource Mobilization of the IPPC Secretariat for 2016	2016-06-16
25_Bureau_2016_Jun	07.	Work Plan and Budget of the IPPC Secretariat for 2017	2016-06-16
15_Bureau_2016_Jun	08.	Immediate funding for emergent pests of global concern	2016-06-16
11_Bureau_2016_Jun	08.	Short and long term of financial support to the IPPC work programme	2016-06-16
28_Bureau_2016_Jun	09.	Progress of IYPH 2020	2016-06-16

<b>Document</b>	<b>Agenda item</b>	<b>Content</b>
Report from last meeting	06.	FC 2016 April Report



### Appendix 03 – Action list

#	ACTION	Action from	Responsible	Deadline	Status
<b>Basic set up (ToR &amp; WA)</b>					
1	Review working arrangements of the FC and its membership			Permanent	Ongoing
<b>Resource mobilization</b>					
2	Review Resource mobilization activities of the IPPC Secretariat, Bureau and FC			Permanent	Ongoing
3	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-16	Bureau, FC, IPPC Secretariat	Progress made; Review at next meeting	In process
4	Secretariat to prepare a tri-fold draft brochure/factsheet on the IPPC and highlight its contribution to food security, trade facilitation, environment protection, capacity development, etc.	Oct-16	IPPC Secretariat	End of 2017	In process
5	Continue to work on the sustainable funding mechanism for the IPPC Secretariat based on inputs from Bureau and SPG	Oct-16	Bureau, FC, IPPC Secretariat	Progress made; Review at next meeting	In process
6	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-16	IPPC Secretariat	Oct-16	Accomplished
7	IPPC Secretary and Coordinator to meet ADG-AG to inquire about the future of regular programme funding	Oct-14	IPPC Secretariat	2015	Accomplished
8	Append Table 3 of 05_IPPC-FC_2015_March and a list of in-kind contributions to the CPM report.	Mar-15	IPPC Secretariat	CPM report finalization	Accomplished
9	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
<b>Development of Financial process and Forms</b>					
10	Review IPPC Secretariat financial forms (Work plan and Budget, Financial report, Progress reports)			Permanent	Ongoing
11	Secretariat to identify and qualify in-kind contributions in resource mobilization and budget reports.	Jun-16	IPPC Secretariat	2017	In process

#	ACTION	Action from	Responsible	Deadline	Status
12	Secretariat to update the IPPC Secretariat Work Plan and Budget for 2017 for adoption at December Bureau virtual meeting o a short description of each project to be added as Appendix 3 to the main document o totals for each activity are added o IYPH 2020 to become more prominent a separate point 1.2.8 under Coordination and Support sub-pillar	Oct-16	IPPC Secretariat	2016	In process
13	Estimate total annual translation and interpretation cost	Jun-14	IPPC Secretariat	2015	Accomplished
14	Update IPPC General Financial outlook document as described	Jun-14	IPPC Secretariat	2015	Accomplished
15	Initiate 2016-2017 budget (taking into account Enhancement evaluation)	Oct-14	IPPC Secretariat, FC	2015	Accomplished
16	Review financial implications of CPM-10 decisions	Mar-15	FC	2015	Accomplished
17	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
18	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
19	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
20	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
21	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	IPPC Secretariat	2016	Accomplished
22	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
23	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

#	ACTION	Action from	Responsible	Deadline	Status
24	Secretariat to upload future Reports to the IPP Work area in addition to the IPP Webpage.	Jun-16	IPPC Secretariat	2016	Accomplished
25	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-16	IPPC Secretariat	2016	Accomplished
<b>International Year of Plant Health (IYPH)</b>					
26	Plan donor conference for 2020	Oct-14	IPPC Secretariat, FC	To be decided	In process
27	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
28	Paper on International Year of Plant Health presented at CPM-10	Oct-14	IYPH Steering group, IPPC Secretariat	2015	Accomplished
29	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
30	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
<b>Other</b>					
31	Develop guidelines for sponsorship of standards	Oct-14	IPPC Secretariat, FC	To be decided	Postponed
32	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