



***REPORT***

**Incheon, Republic of Korea**

**3 April 2017**

# **IPPC Financial Committee**

**April, 2017**



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

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## 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 Incheon, Republic of Korea, saying that it was the second FC meeting outside of Rome. He thanked the participants for the work on CPM-12 financial papers.
- [2] He informed that, regrettably, Mr Lucien Kouame Konan (Côte d'Ivoire) is not able to attend the meetings due to personal reasons.
- [3] Ms. Forest, the Chair of the FC, welcomed the FC members and opened the meeting. She noted that the focus of this meeting should be the IPPC Secretariat Financial report for 2016, the IPPC Secretariat Work Plan and Budget for 2017 and the discussion on the sustainable funding mechanism and consideration of the desired outcome of the CPM discussion on the latter topic.
- [4] Mr. Lopian stressed the importance that FC members are alert to CPM proposals that might have impact on the budget.

## 2. Adoption of the Agenda

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

## 3. Housekeeping

- [6] The Secretariat introduced the Documents and noted that the following FC members participated in the meeting: Ms Lois RANSOM (CPM Chair - Australia), Ms Marie-Claude FOREST (FC Chair - Canada), Mr Ralf LOPIAN (Finland). From the Secretariat, Mr Jingyuan XIA, Mr Craig FEDCHOCK and Mr Marko BENOVIC participated. Lucien KOUAME KONAN was excused.
- [7] Documents list is attached in Appendix 02.
- [8] A list of action points from the previous meetings is attached in Appendix 03.

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

- [9] The FC reviewed the pending actions from the last meeting and thanked the Secretariat for following up of pending actions. There were no comments on the FC October 2017 report.
- [10] The FC:
- *requested* the Secretariat to delete accomplished actions from the Actions list.

## 5. Consideration of CPM-12 Documents on Financial and Other Issues:

### 5.1. IPPC Secretariat financial report for 2016

- [11] The Secretariat pointed out that in 2016, total resources available to the IPPC Secretariat amounted to USD 5,130,961, comprised of USD 2,951,183 from FAO Regular Programme (RP) and USD 2,179,778 from IPPC Extra-Budgetary (EB) resources (contributions and carry-overs). Total expenditures from both RP and EB resources in 2016 amounted to USD 4,703,080.
- [12] The IPPC Multi-Donor Trust Fund (MDTF) contributions in 2016 amounted to USD 666,398, which represents an increase of 42% compared to 2015. In 2016, where five Contracting parties made contributions to the IPPC MDTF.
- [13] However, out of 2016 total contributions, only USD 294,000 represent contributions towards activities in 2016. The rest are contributions related to activities in 2017 and beyond: CPM-12 (Korea), Standard setting (Australia) and International Year of Plant Health (IYPH) 2020 (USA/NAPPO, Korea and Ireland). Lower expenditures of the IPPC MDTF in 2016 are the result of the increased use of RP funds for Governance and Implementation Facilitation costs to offset the savings made on 3 professional posts that were made vacant in 2016.
- [14] In 2016, the Secretariat managed 4 projects executing activities at the level of USD 1.4 million (donors EU, STDF and Switzerland). At the end of 2016, the IPPC Secretariat opened three new projects:

- ePhyto - Global electronic trade facilitation: Enhancing safe trade in plants and plant products (MTF /GLO/688/STF); Donor: STDF
- Support for implementation of the International Plant Protection Convention (IPPC) (GCP /GLO/725/EC); Donor: EU
- Strengthening the Capacity of Developing Contracting parties to Implement the IPPC under FAO-China South-South Cooperation programme; Donor: China

[15] In 2016, the IPPC Secretariat received various in-kind (non-monetary) contributions for support to its activities in the form of staff, staff time (expertise) and meetings. The total amount is equivalent to USD 726,123 from 12 CPs and 6 international (regional) organizations.

[16] Full IPPC Secretariat Financial report for 2016 is presented as CPM-12 document number 27.

[17] The FC:

- *thanked* the Secretariat for the quality and timeliness of financial reporting for 2016.

## 5.2. IPPC Secretariat work plan and budget for 2017

[18] The CPM Bureau discussed the IPPC Secretariat Work Plan and Budget for 2017 in its entirety in December 2016 meeting and made the following decisions: *approved* the IPPC Secretariat Work Plan and IPPC MDTF budget for 2017 and *noted* the IPPC Secretariat RP budget for 2017.

[19] The FC focused on discussing planning and budgeting process, template for the work plan and budget and need to prioritize activities with core work areas of the work plan and budget.

[20] Ms Forest stressed the need for the budgeted activities to be listed in the order of priority and linked to available funding.

[21] The FC discussed the possibility to move the budgeting process one year ahead, meaning that CPM would approve budget for subsequent years (e.g. CPM-13 in 2018 would adopt 2019 work plan and budget). This would allow CPM decisions requiring additional resources to be integrated into the work plan and budget of the next financial year, taking into account their relative priority.

[22] Full IPPC Secretariat Work Plan and Budget for 2017 is presented as CPM-12 document number 38.

[23] The FC:

- *decided* to review the budgeting process in-depth at the June FC meeting.

## 5.3. Resource mobilization

[24] The IPPC Secretary updated the FC on the resource mobilization efforts of the IPPC Secretariat for 2016 and the core activities for 2017.

[25] Overall, budgeted resources available to the IPPC Secretariat for 2016 amounted to USD 4.759 million, USD 2.950 million from RP (62%), USD 1.809 million from IPPC MDTF and IPPC-Projects (38%), while planned staff costs are USD 2.961 million (62%), and operational costs USD 1.798 million (38%).

[26] The Secretary informed the FC that the IPPC MDTF situation is still critical despite the appearance of large surplus due to the fact that that surplus is committed for future activities, mainly for CPM-12 in Korea.

[27] He also noted that IPPC 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/October 2016 meetings, FC in April/June/October 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.

[28] The Secretary reported that the IPPC 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. The IPPC Secretariat is also active in engaging with new donors, such as with Brazil, Russia, India, China and South-Africa (BRICS countries).

[29] Mr Xia stressed the importance that staff is kept at the same level as priority, while Ms Ransom emphasized the need that countries are able to assess the activities they are providing funds for.

[30] The FC:

- *noted* the recent resource mobilization efforts and the financial position of the IPPC Secretariat.

## 6. Sustainable Funding Initiative for the IPPC Secretariat

[31] In collaboration with the CPM Bureau and FC, the IPPC Secretariat prepared a proposal for CPM-12 on sustainable funding for the IPPC Work Programme (CPM-12 document 26). The proposal was based on the SPG supported options for sustainable funding: voluntary assessed contributions and “pay-as-you-go” system.

[32] The FC focused discussions around the EU statement on agenda item 8.3 described in the CPM-12 INF paper 12. EU asked for more detailed provisions to be built around the sustainable funding initiative. EU was also reluctant to endorse the initiative before detailed provisions are provided.

[33] The FC discussed the way forward on the initiative and how to overcome the potential delay in the adoption of the sustainable funding system.

[34] The FC:

- *decided* to discuss the EU statement on the Bureau meeting.
- *requested* that Bureau seeks general support from the EU on sustainable funding initiative in order that the momentum is not lost.
- *decided* to discuss detailed provisions for the sustainable funding initiative in June meeting.

## 7. Progress on the International Plant Health Initiative and Donor Conference

[35] Mr Lopian noted that progress on IYPH 2020 is going well and that the current focus is on the activities of the IYPH Steering Committee (StC) and the endorsement of the initiative at FAO Conference in July 2017.

[36] The FC discussed the donor conference in 2020 as one of the major activities, and also discussed advantages of widening its focus to all IPPC stakeholders for the conference.

[37] The FC:

- *thanked* Mr. Lopian for his efforts on the IYPH initiative
- *decided* to broaden the scope of the proposed conference and name it Stakeholder Conference where all IPPC stakeholders (not only donors) can be invited.

## 8. FC Work Programme for 2017

[38] The IPPC Secretariat presented the FC work programme and the progress on it.

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

[40] The FC:

- *decided* to proceed with the activities from the work programme

## 9. Next Meeting

[41] 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. Next meeting is scheduled for 19 June 2017 in Washington, D.C., USA.

[\[42\]](#) **10. Any Other Business**

None discussed

**Appendix 01 – Agenda**

Agenda item	Document No	Presenter
<b>1. Opening of the meeting</b>		Xia/Forest
<b>2. Adoption of the Agenda</b>	01_IPPC-FC_2017_April	Fedchock
<b>3. Housekeeping</b>		
<ul style="list-style-type: none"> <li>• Documents list</li> <li>• Participants list</li> <li>• Local information</li> </ul>	02_IPPC-FC_2017_April IPP IPP	Fedchock
<b>4. Report of last meeting and review of actions points</b>	October 2016 Report	Fedchock
<b>5. Consideration of CPM-12 documents on financial and other issues (content and presentation format):</b>		
1) IPPC Secretariat Financial report for 2016	27_CPM_April_2017	Benovic
2) IPPC Secretariat Work plan and Budget for 2017	38_CPM_April_2017	Benovic
3) Resource mobilization	25_CPM_April_2017	Xia
<b>6. Sustainable funding for the IPPC Secretariat</b> - additional task: review and discuss INF 12 paper for CPM	26_CPM_April_2017	Forest/Fedchock
<b>7. Progress of the International Year of Plant Health (IYPH)</b>		Lopian
1) Donor conference 2020		Forest
<b>8. FC 2017 Work Programme</b>	03_IPPC-FC_April_2017	Forest/Fedchock
<b>9. Next meeting (scheduling)</b>		Forest
<b>10. Other business</b>		Forest

**Appendix 02 – Document List**

DOCUMENT NO.	AGENDA NO.	DOCUMENT TITLE	POSTED
01_IPPC-FC_Oct_2016	2	Provisional Agenda	2017-03-31
02_IPPC-FC_Oct_2016	3.1	Documents list	2017-03-31
27_CPM_April_2017	5.1	IPPC Secretariat Financial report for 2016	2017-03-31
38_CPM_April_2017	5.2	IPPC Secretariat Work plan and Budget for 2017	2017-03-31
25_CPM_April_2017	5.3	Resource mobilization	2017-03-31
26_CPM_April_2017	5.4	Sustainable funding for the IPPC Secretariat	2017-03-31
03_IPPC-FC_April_2017	8	FC 2017 Work Programme	2017-03-31

Document	Agenda item	Content
October 2016 Report	4	<a href="#">October 2016 Report</a>



**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. Work with EU on detailed provisions for the mechanism.	Oct-16; Apr-17	Bureau, FC, IPPC Secretariat	Progress made; Review at next meeting	In process
<b>Development of Financial process and Forms</b>					
6	Review IPPC Secretariat financial forms (Work plan and Budget, Financial report, Progress reports)			Permanent	Ongoing
7	FC and Secretariat to review in-depth IPPC Secretariat Work Plan and Budget format and procedures and discuss prioritization of activities	Jun-17	IPPC Secretariat	2017	In process
<b>International Year of Plant Health (IYPH)</b>					
8	Plan stakeholder conference for 2020	Oct-14	IPPC Secretariat, FC	To be decided	In process
9	Dedicated brochure for the IPPC in relation to the International Year for Plant Health (IYPH) should be developed	Jun-15	IPPC Secretariat	2017	In process
<b>Other</b>					
10	Develop guidelines for sponsorship of standards	Oct-14	IPPC Secretariat, FC	To be decided	Postponed
11	FC Agreed to discuss the set up for ISPM 15 mark registration maintenance in a future meeting.	Oct-15	IPPC Secretariat	2017	In process