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INTERIM COMMISSION ON PHYTOSANITARY MEASURES

Sixth Session

Rome, 29 March – 2 April 2004

SPECIAL TRUST FUND

Agenda Item 8.5 of the Provisional Agenda

1. ICPM 5 agreed to the creation of a Special Trust Fund with the following basic conditions for operation:

1. Exclusive use to the direct benefit of developing countries.
2. Supplementary character of such funding.
3. ICPM responsibility for the selection of outputs to be funded out of this source.
4. Only voluntary contributions.

2. The financial guidelines for the Special Trust Fund adopted at ICPM 5 are shown at Annex 1 for information. Administrative arrangements for the establishment of this fund have been completed in FAO.

3. At the time this paper was drafted (early December 2003), New Zealand was the only country that had contributed to the Special Trust Fund (\$NZ 50,000), although a number of other countries had indicated that they were considering making contributions. The Secretariat will provide an update on contributions to the Special Trust Fund during the ICPM meeting. The Secretariat is proposing to develop a strategy for promoting the benefits of contributing to the Special Trust Fund. This strategy is likely to include the development of promotional material and a direct approach to potential donors.

4. The Informal Working Group on Strategic Planning and Technical Assistance (SPTA) in October 2003, discussed the funding priorities for the Special Trust Fund. The SPTA recommended that the highest priority for expenditure from the Trust Fund should be for attendance at ICPM and at regional workshops on draft ISPMs. The SPTA recommended that the first \$US 500,000 funds received should go to these activities with additional funds allocated to the Phytosanitary Capacity Evaluation (PCE) and Information Exchange. The SPTA further recommended that funding for PCE, Information exchange and general operating expenses should not exceed 30% of the total.

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5. The proposed relative allocation to different activities taking into account the SPTA recommendations is shown in the following table. However, Special Trust Fund expenditure on the Phytosanitary Capacity Evaluation and Information Exchange activities will not commence until the contributions have exceeded \$US 500,000.

ACTIVITY	ALLOCATION OF FUNDS
Standards setting activities	
Travel to the ICPM	30%
Participation in SC and Expert Working Groups	10%
Regional Technical Consultations on draft ISPMs	30%
Phytosanitary Capacity Evaluation	
Consultants	4%
Travel (staff + national experts)	11%
Information Exchange	
Consultants	6%
Travel (staff + national experts)	5%
General Operating Expenses	4%

6. The ICPM is invited to:

1. *Agree* to the Secretariat developing a strategy for promoting the Special Trust Fund and encouraging donors to contribute to it.
2. *Adopt* the SPTA recommendation that the first \$US500,000 received be used to support attendance at the ICPM and at regional workshops on draft standards with additional funds allocated to the PCE and information exchange.
3. *Adopt* the SPTA recommendation that funding for PCE, information exchange and general operating expenses should not exceed 30% of the total funds received.
4. *Agree* to the proposed allocations of funding to different activities shown in the table.

5.

ANNEX 1

FINANCIAL GUIDELINES FOR THE SPECIAL TRUST FUND OF THE INTERNATIONAL PLANT PROTECTION CONVENTION

I. SCOPE

1. The objective of the fund is to provide resources to benefit developing countries:
 1. through their attendance at the standard setting meetings,
 2. through participating in a training programme and internet exchange for information exchange,
 3. through regional workshops on draft standards and implementing standards,
 4. through development and guidance for countries to use in the evaluation of institutional and regulatory aspects of national phytosanitary systems,
 5. by encouraging individual members to utilize Phytosanitary Capacity Evaluation and formulate national Phytosanitary plans,
 6. through any other project agreed by the ICPM.

II. APPLICABILITY

2. These guidelines shall govern the financial administration of the Special Trust Fund of the International Plant Protection Convention.
3. These guidelines shall apply to the activities of the Special Trust Fund for matters not covered by the FAO financial rules and procedures concerning trust funds.

III. THE FINANCIAL PERIOD

4. The financial period shall be one calendar year.

IV. THE BUDGET

5. The budget estimates shall be prepared by the Secretary of the Commission for submission to the Commission held in the year before the financial year covered by the Budget.
6. Before the submission to the Commission, the budget estimates shall be reviewed by the SPTA for consideration by the bureau of the ICPM, which will make a final recommendation on its adoption to the Commission.
7. The Budget shall be circulated to all Members of the Commission not less than 60 days before the opening session of the Commission at which the budget is to be adopted.
8. The Commission shall adopt the Budget of the Special Trust Fund by consensus of its Members provided, however, that if, after every effort has been made, a consensus cannot be reached in the course of that session, the matter will be put to a vote and the Budget shall be adopted by a two-thirds majority of its Members.
9. The Budget Estimates shall cover income and expenditures for the financial period to which they relate, and shall be presented in United States dollars.
10. The Budget Estimates shall reflect the programme of work for the financial period elaborated by appropriate information and data, and shall include the programme of work and such other information, annexes or explanatory statements as may be requested by the Commission.
11. The Budget shall comprise: The Budget relating to voluntary contributions of Members, non-Members and other contributors, and expenditures chargeable to the Special Trust Fund, in

accordance with its scope. The Budget shall also refer in an appropriate manner the expenses to be borne by FAO and by the General Trust Fund relating to funds made available during the financial period.

12. The Budget of the Special Trust Fund for the financial period shall consist of provisions for:
 1. Administrative Expenditures, including an amount to cover the Organization's costs equal to 4.5% of the Special Trust Fund of the Commission.
 2. Expenditure for the activities of the Commission. Estimates under this chapter may be presented in a single total only but detailed estimates for each particular project will be prepared and approved as "supplementary details" of the Budget.
13. Contingencies: The Budget of the Special Trust Fund shall be adopted by the Commission with such amendments as the Commission may deem necessary.
14. The Budget of the Special Trust Fund of the Commission shall be submitted to the Finance Committee of the Organization for its information.
15. The Commission shall set priorities among outputs to take account of possible shortfall in funding.

V. PROVISION OF FUNDS

16. Funds may be provided on a voluntary basis by a variety of sources, including members, non-members, non-governmental entities and natural persons.
17. Special assignment of individual contributions for specific outputs is only possible to fund those outputs that are approved by the Commission.
18. The Secretary in consultation with the Bureau is authorized to finance budgeted expenditure for the purposes outlined in the scope from the uncommitted balance of the Budget of the Special Trust Fund.
19. The Secretary shall acknowledge promptly the receipt of all pledges and contributions and shall inform members annually twice a year of the status of pledges and contributions.

VI. FUNDS

20. All contributions received shall be placed in a Trust Fund under the guidance of the ICPM administered by the Director-General in conformity with the Financial Regulations and rules of FAO.
21. With respect to the Trust Fund the Organization shall maintain a general Account to which shall be credited receipts of all contributions paid and from which shall be met all expenditure chargeable against the sums allocated to the annual Special Trust Fund Budget.

VII. FINANCIAL REPORTS

22. The Secretary will provide financial reports on the Special Trust Fund to the Commission on an annual basis, taking into account all financial resources available to the Commission. These reports should include links to objectives, activities and outputs as they relate to strategic directions.

VIII. AMENDMENT

23. These Guidelines may be amended by the Commission.