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y la
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INTERIM COMMISSION ON PHYTOSANITARY MEASURES

Fifth Session

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ICPM Resources

Agenda Item 8.2 of the Provisional Agenda

1. The Fourth Session of the ICPM discussed the resources available for the work programme in consideration of the Strategic Plan. Two issues were agreed by ICPM 4 for action by the Informal Working Group on Strategic Planning and Technical Assistance (SPTA). ICPM 4 agreed that:

- The Secretariat should prepare a financial analysis as regards resources devoted to strategic directions for the purpose of preparing and updating a business plan and to facilitate future discussions on strategic planning (c.f. para. 72/3 of the Report of ICPM 4).
- The SPTA should develop a programme to assist members in obtaining greater funding for the IPPC from the FAO Regular Programme (c.f. para. 72/6 of the Report of ICPM 4).

Business Plan

2. An ad hoc Focus Group comprising Mr Carberry (Canada) and the 2 Vice Chairpersons of the ICPM, was convened in July 2002 to work with the Secretariat to prepare a draft business plan. The draft business plan explained the role of the ICPM, the current situation for resources and the additional resources required to achieve the work programme that has been agreed by members in the ICPM. The draft business plan was presented to members of the FAO Programme and Finance Committees in September 2002 and was found to be useful as a reference and advocacy document (see paragraph five below).

3. The draft business plan was discussed by the SPTA at its meeting in October. The SPTA amended the draft business plan to expand the executive summary and to include more budgetary information. It was agreed that it was an important document and should be presented to as wide

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an audience as possible, but in particular to key persons and groups associated with FAO decision-making processes.

4. The SPTA recommended that the draft business plan be presented to the ICPM for its information and that it should be made available on the IPP. The SPTA also recommended that the business plan should be reviewed and updated annually and added this to the list of actions in the Strategic Plan (see Agenda item 8.1, document 15).

Initiatives for increasing Regular Programme funding for the IPPC from FAO

5. Prior to the meeting of the SPTA, the Bureau informed the delegates at the FAO Programme and Finance Committees of the resource situation of the IPPC and the need for increased funding. This was done directly via FAO Member Permanent Representatives using the draft Business Plan and the *Guide to the International Plant Protection Convention*. The primary task of the Committees was to review FAO's Medium Term Plan (MTP) with a view to making recommendations on the budget of the Organization. The draft business plan was found to be a useful document by the committees and the information led to positive results.

6. The following are two relevant paragraphs extracted from the report of the 88th Session of the Programme Committee, held from 9 to 13 September 2002:

13. The Committee emphasized the contributions of this Major Programme to developing technologies for farmers to intensify agricultural production while sustainably managing land and water resources, addressing the biosecurity risks of exchanges of agricultural inputs and products, and improving rural livelihoods. It also highlighted the emphasis on technical support to national poverty reduction strategies, safety in the food chain, and international regulatory instruments including IPPC, PIC and the International Treaty on PGRFA. The Committee further recognized the contribution of Integrated Pest Management to a comprehensive plant protection and crop-associated biodiversity strategy, and the continued need to assist Members with disposal of obsolete pesticides.

14. The Committee recalled the importance of the IPPC in the facilitation of international trade and the protection of plant resources. It, therefore, expressed serious concern at the potential shortfall in funding in relation to the approved activities of the IPPC in the present biennium and stressed the need for additional allocations to accelerate the standard setting process. The Committee noted, however, that any deficit of resources in the current biennium would need to be handled within existing budgetary authority and welcomed the Secretariat's clear assurance that every effort would be made to do this. The Committee urged that high priority be maintained for work on IPPC, including for developing the information system and ensuring sufficient participation of developing countries. It appreciated the proposed substantial increase in resources in the MTP and emphasized in the medium term, to maintain a sustainable programme on setting four standards per annum, maintain information exchange and provide support to technical assistance.

7. The SPTA considered a proposed programme developed by the Bureau to secure more funding for the IPPC from the FAO Regular Programme. This involved informing delegates to the key FAO bodies of the critical IPPC resource situation using the business plan. The SPTA agreed that the programme should be presented to the ICPM and that Members be encouraged to make representations on behalf of the IPPC to their national and regional delegates in key bodies and meetings. The Secretariat will make available a document listing the meetings and identifying the representatives.

8. The first meeting identified in the proposed strategy was the 123rd session of the FAO Council (28 October-2 November 2002). Members of the SPTA agreed to present the amended

executive summary and draft business plan to Council Members from their respective regions directly or through their FAO Permanent Representatives. As a result, the funding situation of the IPPC was discussed by the FAO Council. The following paragraph is from the draft report:

The Council noted the unanimous agreement of the programme Committee on the high priority accorded to the work of the IPPC, the need for additional allocations to accelerate standards setting, and the emphasis in the medium term to maintain a sustainable programme of setting four standards per annum, maintain information exchange and provide support to technical assistance. The Council also noted the Secretariat's clear indication that the IPPC falls into the first category of priorities of FAO and that the Secretariat takes the conclusions of the Programme Committee on the IPPC as a direction to do something about resource allocations for the IPPC.

9. The ICPM is invited to:
 1. *Note* the development and usefulness of the Business Plan.
 2. *Agree* to the annual review and updating of the Business Plan.
 3. *Agree* to proceed with the programme for increasing Regular Programme funding of the IPPC as proposed by the Business Plan.
 4. *Note* the key meetings and bodies identified by the Secretariat.
 5. *Urge* Members to request the support of their delegates to the meetings of key FAO Bodies for increased funding to the IPPC.

Business Plan for the International Plant Protection Convention (IPPC)

Bureau of the Interim Commission on Phytosanitary Measures (ICPM)
January 2003

MISSION

To secure common action in protecting the world's cultivated and natural plant resources from the spread and introduction of plant pests while minimising interference with the international movement of goods and people. This is accomplished by providing a global forum for promoting the full implementation of the International Plant Protection Convention through:

- 1. the development, adoption and monitoring of the implementation of ISPMs (standards);*
- 2. information exchange;*
- 3. the provision of dispute settlement mechanisms;*
- 4. the development of the phytosanitary capacity of Members by promoting the provision of technical assistance;*
- 5. the maintenance of an effective and efficient administrative framework;*
- 6. promotion of the IPPC and co-operation with relevant international organizations.*

The Executive Summary

The International Plant Protection Convention (IPPC) is an international convention of critical importance to the protection of the world's plant resources. Since its reference by the World Trade Organization (WTO) in 1995, it has become fundamental to the international trade of plants and plant products. In the latter respect, the IPPC is responsible for the international harmonization of phytosanitary concepts and the development and consensual acceptance of corresponding standards upon which countries can base their regulatory frameworks for domestic controls, import requirements and export programs.

The IPPC is a sister organization to the Codex Alimentarius Commission and the Office International des Epizooties (responsible for food safety and animal health, respectively). The IPPC, however, has not benefited from as long a history in the area of standard setting as its sister organizations, nor has it benefited from comparable resource availability for its activities. Member countries, however, depend on all three of these organizations to provide the conceptual and technical basis upon which trade can occur and regulatory systems can be based.

The fundamental mandate of the IPPC to provide a forum for global action on phytosanitary issues was reaffirmed in 1997 when governments agreed to amendments formalizing the organization and activities surrounding the Convention. This included the establishment of the Commission on Phytosanitary Measures as the governing body of the IPPC, as well as the establishment of the Secretariat that carries out the work programme. This builds on the measures already taken by FAO when it established the provisional Secretariat in 1992 and dedicated a small budget to the work programme for the global harmonization of phytosanitary measures.

It is now time that the core funding for the IPPC be examined both in reference to other standard-setting organizations and with respect to its own strategic plan. In addition, there are unique and increasing pressures on the IPPC as international interest increases in biotechnology, invasive species, and the protection of biodiversity, which are all areas where the IPPC has a key role and significant competencies.

The IPPC has developed a strategic plan that addresses the needs of its member countries. However, the strategies are not being executed in an effective manner due to the lack of core financial and personnel resources within the IPPC Secretariat. Key directions in the strategic plan include:

1. Standards Development
2. Information Exchange
3. Dispute Settlement Mechanisms
4. Development of Phytosanitary Capacity by promoting Technical Assistance
5. Maintaining an Effective Administrative Framework (Secretariat Capacity)
6. International Cooperation.

The Informal Working Group on Strategic Planning and Technical Assistance (SPTA) of the IPPC as well as the IPPC Secretariat has carried out an analysis of the IPPC needs and budget. This has resulted in the evaluation of the basic requirements needed to ensure the ongoing viability of the IPPC as a standard-setting organization and as one of the "three sisters" recognized by the WTO. The key conclusions are that the IPPC requires immediate increases in its Secretariat capacity and funding in some critical areas:

- the creation of a full time Secretary;
- the addition of two professional staff in 2004-05 and 1.5 professional staff in 2006-07 as well as funding to support these staff;
- the addition of one Informatics Officer in 2006-07;
- a significant increase in funding for the information sharing function, with specific recognition of the informatics needs and opportunities;
- an immediate increase in funding for standard setting to ensure that the work programme of four standards/year can be met in 2004-05 and a marginal increase for 2006-07 to manage the increased number of standards and the associated activities. A significant portion of this funding is to involve and assist developing countries;
- an increase in funding for Technical Assistance activities; and
- an increase in funding for international cooperation activities in recognition of the rapidly emerging interface with other organizations such as the Convention on biological Diversity in areas related to the IPPC's core mandate.

These changes would require an additional US\$1M/year increase (US\$2M/biennium) to its budget in 2004-05 to be followed by an additional US\$800K increase (US\$1.6M/biennium) in 2006-07. This would provide critical core support for the IPPC Secretariat and sufficient funding for a sustainable work program for the organization as well as a more equal footing for the IPPC alongside its sister organizations.

This would establish the biennium budget requirements of the IPPC as the following:

2002-2003: US\$2689K (currently US\$2189K) per biennium

2004-2005: US\$3998K per biennium

2006-2007: US\$5764K per biennium

The IPPC and Its Current Situation

The International Plant Protection Convention (IPPC) has been in force since 1952. The IPPC has the unique role of being the premier international instrument for plant protection and the organization responsible for the development of an international system of phytosanitary standards. Every country has a national plant protection organization (NPPO) with regulatory and operational responsibilities based on the IPPC, focused primarily on preventing the introduction of plant pests via trade and certifying exports to meet importing countries phytosanitary requirements. As such, the IPPC has always played an important role in international trade, but its importance has been vastly increased given its linkage to the WTO Agreement.

In response to the expectations of governments anticipating the World Trade Organization (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures (the SPS Agreement) in 1993, FAO established a provisional Secretariat for the IPPC and put in place interim standard-setting procedures with a small initial budget. Basic funding for the IPPC was provided through FAO, which provides the Secretariat with its infrastructure – including legal support.

FAO had a level budget when the Secretariat was established in 1992 and there was uncertainty at the time about how significant the IPPC might be as a global standard-setting organization. A minimalist approach was therefore taken to create a Secretariat without severely impacting internal resources. This small initial budget has not been revised in any significant way since this period. It is also clear that the Secretariat is comparatively very small when viewed alongside other international organizations having similar responsibilities (e.g. Codex and OIE).

In 1995, the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (the SPS Agreement) came into force with formal reference to the IPPC as the organization responsible for setting international standards for phytosanitary measures applied in international trade. The other standard-setting bodies identified in the SPS Agreement were the Codex Alimentarius (for food safety) and the Office International des Epizooties (for animal health). Unlike the IPPC, these organizations had been active in standard setting, since 1924 and 1964 respectively, and already had larger budgets and Secretariats.

No systematic approach was put in place to revisit the question of adequate resources for the IPPC programme until three years ago when the IPPC's Interim Commission on Phytosanitary Measures (ICPM) established an informal working group for strategic planning. This group elaborated the Mission of the IPPC and developed both a multi-year strategic plan and instituted an annual work planning process. The informal working group constructed the strategic plan with goals and expected outputs against which resources can be aligned. As a result, the IPPC is now able to clearly articulate the resource shortfall that exists for a basic work programme.

The IPPC's strategic planning process culminates in a draft work programme that is agreed upon by all governments at the annual meeting of the ICPM, at which time governments also consider their participation in working groups that are charged to accomplish this work. The developed countries cover their own costs associated with their participation in standard setting activities; while developing countries are provided financial assistance by the IPPC Secretariat (see Appendix II). There are several examples of governments that have provided funding to cover all costs associated with some of these meetings.

There are six strategic directions for the IPPC that are included in its Mission statement (see above) and a series of goals under each of these strategic directions (see Appendix I for the strategic plan and goals). The current budget of the IPPC only supports limited aspects of these strategic directions.

Existing resources provide for the establishment or review of approximately two standards per year and small programmes to assist Members with technical assistance and the exchange of official information. In comparison, the work programme elaborated by the informal working group has set a modest target of four standards per year. This level of standard-setting activity is considered an essential minimum to provide concept and specific standards, to formulate standards for particular trade concerns of developing countries, and to update existing standards. The ICPM has also established as priority objectives the improvement of efforts by developing countries to implement phytosanitary standards and benefit from information exchange and technical assistance.

For the past two years, the minimum targets set by the ICPM have only been met through extraordinary efforts by a few individuals and the infusion of small ad hoc contributions from various sources. However, this is neither a sustainable nor desirable approach to achieving the goals of the IPPC. The danger in this approach is evidenced by the current work programme which is suffering a reduction in activity because the small resource base that was established for the IPPC cannot assure a sustainable work programme. As a result, the IPPC was in danger of not having sufficient funding available to carry out any new work on standards in 2003. A recent in-year funding allocation has been requested and is anticipated in the amount of US\$500K to allow for some critical activities to take place this year, demonstrating the dire situation in which the IPPC finds itself.

The Importance and Need

The current situation contrasts with the increasing importance of the IPPC and the need to deliver a work programme that will meet developing and developed countries requirements and expectations.

The protection of plants from pests is fundamental to food security, trade, and protecting the environment. The IPPC plays an integral role as the international forum and reference point for plant protection concepts, cooperation, and action. In particular, it provides the mechanism for the creation of standards that relate to the facilitation of trade and the protection of environment. The aim is to make the phytosanitary requirements of nations transparent and fair in achieving an acceptable level of protection. The standards constructed at present are of a concept level, and will provide the basis of future more detailed standards that will deal with specific pests of specific crops. These standards are especially important to help developing countries engage in trade by offering guidance for the establishment of appropriate phytosanitary systems and the basis for negotiating new market access. Standards also help to clarify concepts and controversial issues that may be the basis for disagreements and therefore reduce the potential for phytosanitary disputes between trading partners. The IPPC also assists regional plant protection organizations (RPPOs) in the development of resources such as pest lists, pest control programmes and pest free areas associated with both cultivated plants and wild flora.

Although phytosanitary measures have historically been used to protect agriculture, horticulture and forestry from the ingress of exotic pests and/or their spread within countries,

there is an increasing concern by governments for also controlling the spread of organisms that threaten biological diversity and the environment. There are initiatives underway within the IPPC work programme to address specific environmental concerns through IPPC standards (e.g. risk analysis). This implies the need to pursue linkages and cooperative efforts with other organizations (such as the Convention on Biological Diversity [CBD]), which are in a much better situation from a resource standpoint (e.g. CBD Secretariat funding is approximately 10 times that of the IPPC).

In these respects, the external pressures on the IPPC are placing additional pressures on it for increased activity and interaction in areas that have not historically been emphasized or funded.

The Budget and Secretariat Size

The annual level of funding provided by the Regular Programme currently allows for:

- one meeting of the ICPM;
- two meetings of the Standards Committee;
- two working groups to formulate or review standards; and
- very small programmes for:
 - technical assistance
 - information exchange
 - collaboration and liaison.

At the present time, the budget of the IPPC is approximately US\$1 million per year (\$2.1M per biennium). While the Secretariat is very small, almost two-thirds (2/3) of this amount is required for staff and the remainder – roughly US\$400,000 per year – constitutes the funding base for the entire work programme. As already mentioned, the IPPC has benefited from several ad hoc or in-kind contributions (usually in the range of US\$10 000 to US\$25 000 each) from governments and other organizations to support specific initiatives, resources for staff in the Secretariat and for short-term visiting experts. These contributions have been especially important for technical assistance initiatives and to expand standard setting.

The Secretariat currently includes five FAO staff: the Secretary; the Coordinator; two Professional Officers; and one administrative support position. In addition, one Associate Professional Officer (APO) has been sponsored by the United States for the past four years.

The Secretariat convenes or organizes all the meetings associated with the work programme of the ICPM. This involves documentation, identifying and contacting the participants, travel and accommodation. It also arranges the documents for the meetings, in particular the annual meeting of the ICPM. The Secretariat edits the standards and associated documents and arranges translation. The Secretariat is home to the International Phytosanitary Portal (IPP) and manages its update and maintenance. The Technical Assistance programme is operated from the Secretariat who also answers numerous enquiries on general plant protection matters. The Secretariat represents the IPPC at numerous meetings and conferences (some on a regular basis such as the SPS Committee meetings), deals with legal issues that arise with assistance from the FAO Legal Office and assists with phytosanitary disputes.

The Work Programme: Now and As Required

The work programme activities are categorized according to the six strategic directions of the IPPC:

1. Standards Development
2. Information Exchange
3. Dispute Settlement Mechanisms
4. Development of Phytosanitary Capacity by promoting Technical Assistance
5. Maintaining an Effective Administrative Framework (Secretariat Capacity)
6. International Cooperation

The current situation and needs for the next biennium and beyond in each of these activity areas is described below in greater detail. The associated financial implications are summarized in Appendices II and III.

1. Standard setting

Current Situation: In its first five years of standard setting (1992 to 1997), the IPPC produced seven international standards for phytosanitary measures (ISPMs) using the interim standard setting procedures established by FAO. In 1997, FAO adopted amendments to the Convention that made provision for the establishment of a formal standard setting mechanism under the IPPC. Despite its small budget, the IPPC has, since 1998 when the transition to this new system began, established ten new standards, four of these in 2001. In sum, 17 technical standards have been adopted by the IPPC in ten years. This is an average of less than two per year and is insufficient when considered against current needs, the increase in international trade in plant products and the needs of developing countries. The limited number of standards considerably restricts the potential for governments to benefit from a harmonized and increased world trade in agricultural products and puts them at greater risk for the introduction of harmful plant pests, including organisms that threaten biological diversity and the environment.

The standards established to date deal primarily with the principles and concepts that are needed to establish the foundation upon which standards for specific pests and commodities can be addressed. The emphasis in standard setting is shifting toward specific phytosanitary problems affecting trade, with priority given to those that are most important to developing countries.

However, the current level of standard-setting activity is already being reduced and certain activities have been postponed as a result of capacity limitations within the Secretariat, primarily as regards personnel and funds. An increase in core resources is required for the work programme to achieve the level of activity envisioned by the ICPM.

Next Biennium: At least four types of critical standard setting activities would occur simultaneously on an ongoing basis:

- the formulation of concept and reference standards;
- the formulation of specific pest and commodity standards;
- the review and updating of existing standards; and
- response to urgent issues, needs raised by developing countries, or requests by other organizations (e.g. the SPS Committee or the CBD).

Based on member country expectations the ICPM has established a minimum level of work on four standards per year; this includes the development of new concept and specific standards as well as the review of existing standards to ensure their continued relevancy.

The current limiting factors in standard setting to be addressed in the next biennial budget are:

- funds to undertake the number of meetings needed to produce standards; and
- Secretariat staff to organize the meetings and process the results.

An important factor to consider is that, unlike its sister standard-setting organizations, the IPPC covers the costs for developing country participants in all of its meetings except the annual ICPM meeting (which is attended by government representatives). Therefore, the costs associated with standard setting in the IPPC account for developing country participation. In fact, the largest portion of costs associated with standard setting in the IPPC can be attributed to ensuring that phytosanitary officials from developing countries are fairly represented and actively involved. Appendix II provides a summary.

A further effort is made by the IPPC to assist developing countries in standard setting by organizing regional technical consultations to assist national officials with the review and consultation process for draft standards. Although the ICPM considers these to be critical meetings for developing countries, current resources preclude funding these technical consultations as part of the work programme. The meetings held to date have been funded by ad hoc extra-budgetary contributions and as a result have been limited and sporadic. The ICPM gives a high priority to making these meetings a permanent fixture in the future work programme for standard setting. An increase in the budget will be oriented to facilitating these regional technical consultations as well.

An increase in both the capacities in Secretariat personnel and operating funds (largely to support developing country attendance at working group meetings) is required. Approximately US\$1M/biennium will be directed to this activity, which will effectively double the estimated funding currently going into this activity and will be sufficient to meet the basic work programme targets.

Beyond: An incremental adjustment is required for the subsequent biennial budgets in order to address the additional work required to establish specific standards, ensure the review of existing standards, as well as increasing the regional technical consultations to correspond to the increased number of standards. The 2006-07 biennium forecasts an additional increase of US\$500K to operating funds and small increases to both the Secretariat staff size and operating funds for the ICPM (approximately US\$50K/ICPM for translation of documents, etc).

2. Information exchange

Current Situation: Information Exchange consists of support for the IPPC web site and development of a project known as the IPP. Costs are associated with equipment purchase and maintenance, contracts for programming, and training.

The proper implementation of the Convention requires that governments make certain official information such as pest lists and phytosanitary requirements available to the Secretariat and to other governments. The Convention also assigns specific information exchange

responsibilities to the Secretariat. The ICPM has agreed that an Internet-based information exchange system known as the International Phytosanitary Portal (IPP) is the most effective mechanism for these purposes. The development of the IPP as a global information exchange system is also important to help developing countries by providing information and links to many types of plant protection information. Over the years, the site should develop to include not only the information required by the IPPC (e.g. links to the phytosanitary regulations of all IPPC members) but also links to biological information for the conduct of pest risk analyses and the construction of phytosanitary regulations. This system, including the provision of access to information for officials that do not have Internet access, is being implemented. Previous mechanisms relied mainly on FAO and fell far short of meeting the needs of Members due to lack of resources to collect, update, and distribute information.

Amendments to the Convention have created a more realistic structure for Member-to-Member and Secretariat-to-Member exchanges. Advances in communication technologies greatly facilitate such exchange, in particular via the Internet. However these systems require a critical mass of data and timely updating as well as adequate support for programming to make them effective. This is a serious challenge for the Secretariat as the resource base for this activity is extremely limited.

Next Biennium: The Secretariat and the ICPM have already initiated the development of the IPP but its rapid development depends on the availability of funds and Secretariat support and specialised competencies. A substantial front-end input is required in the area of information exchange for the completion of the IPP with training and support for implementation by national and regional plant protection organizations. This would include primarily instructional materials and some workshops. Both personnel and funding are required to properly implement the system. As such, it is forecasted that additional officers take on this responsibility over the next biennium and that contract funds be utilised to get systems running and populated with sufficient data. The operating funds in this area are forecasted as US\$535K per annum.

It is hoped that in the following biennium most IPPC members will be in a position to fulfil their information sharing obligations under the IPPC using the IPP. The most important of these are the provision of links to country import regulations, country regulated pest lists, new pest records and national structures.

Beyond: It is realistic to forecast an increased, but not sole use of information technology for the IPPC as activities increase and initial projects are completed. It is believed that information-sharing demands will increase and to address the information technology needs, it is suggested that a full-time Information Technology (IT) position be established. This will ensure that the requisite competency and expertise reside within the Secretariat to oversee ongoing development of the IPP and future informatics endeavours.

As the IPP develops, the facility should be able to assist members with the provision of links to useful data, though not specifically required under the IPPC. Such data would include biological pest data for use in pest risk analyses, the specifications of pest free area programmes, pest diagnostic information, and pest control programmes. The IPP would also be expected to be an important aid in developing regional pest control programmes.

3. Dispute settlement

The working group on Dispute Settlement has completed its work and any improvements or changes can be made without increases to the core budget.

4. Development of phytosanitary capacity by promoting technical assistance

Current Situation: A significant portion of the Secretariat's time and effort is devoted to assisting with workshops, seminars and training associated with the implementation of the IPPC and standards. In addition, one of the professional officers is devoted nearly full-time to phytosanitary capacity building aspects of FAO's Technical Cooperation Programme (TCP).

The ICPM recognizes the crucial role of technical assistance for implementation of the IPPC and has therefore devoted considerable attention to its potential role in this area. An important result of these efforts is the development of the Phytosanitary Capacity Evaluation (PCE) as a tool to assist governments in assessing the strengths and weaknesses of their phytosanitary systems and to formulate national strategies for capacity building.

Two other main challenges for the IPPC are:

- ensuring adequate participation by developing countries in standard setting;
- taking full advantage of the ICPM to advocate and support best the use of technical assistance resources to meet developing country needs.

Current efforts in this regard are limited by resource availability.

Next Biennium: The majority of the members of the ICPM are developing countries. Considerable funding and support is required for these governments to participate fully and benefit from the development of standards. Considerably more funding for capacity building is required for these governments to implement the standards. This problem has been recently highlighted by the WTO at Doha.

One of the central issues in global discussions is the level of participation by developing countries in standard setting. Resources for the participation of officials from developing countries are provided as necessary by the IPPC from its regular programme budget. This policy extends to expert meetings as well as ICPM business meetings such as for strategic planning. As a result, increases in regular programme funding for standard setting automatically account for increasing developing country participation. Conversely, limitations in the work programme further limit the opportunities for developing countries. The annual meeting of the ICPM is the only IPPC meeting where funding from the regular programme budget has not been made available to assist developing country representatives.

The IPPC is not a convention designed for capacity building but the Members recognize and the ICPM has underlined the importance of capacity building for all governments to be able to meet the objectives of the Convention. The ICPM has, within the limits of its mandate and resources, identified an important and unique role in technical assistance by undertaking to develop tools such as the Phytosanitary Capacity Evaluation (PCE) that benefit both governments and donors.

The PCE is a needs-assessment inventory that helps governments identify the strengths and weaknesses in their phytosanitary capacity as the basis for formulating national strategies to meet their needs. These national strategies can in turn be used to better articulate a country's

needs to funding organizations. Strategies and needs that are based on the PCE provide these countries and the funding organizations with the advantage of a submission that is based on an international framework. While the PCE was developed and pilot tested with extra-budgetary contributions, it has now benefited from an FAO project that will secure its further development and implementation over the next two years. Difficulties are foreseen in further implementation without a resource base to maintain the PCE in future. The furthering of the use of this tool will be the key use of funds in the next biennium.

Beyond: The addition of further capacity in the Secretariat as well as some increases to the Technical Assistance budget are forecasted for the 2006-07 biennium. While these increases are modest, it should be noted that much benefit to developing countries is carried out through other activities of the IPPC, namely the participation in standard setting meetings and the Regional Technical Consultations housed in Strategy 1: Standards Setting. Increases in these areas are also forecasted to help contribute to the broader goal of increasing phytosanitary capacity of developing countries.

5. Maintaining an effective administrative framework (Secretariat capacity)

Current Situation: The lack of an adequate number of personnel resources for the Secretariat is currently a major limiting factor to the implementation of the work programme of the ICPM. The additions in this section are inclusive of the resources mentioned for other strategies. The consequences of these limitations are significant when considering the expectations of governments associated with the SPS Agreement and the extensive needs that exist for the harmonization of phytosanitary measures. In addition, issues concerning environmental protection and cooperation with the CBD are not being addressed to the benefit of either organization.

Despite its small size, the Secretariat has established a credible profile for the IPPC as an international standard-setting organization. This is increasingly more important and a key role for the Secretariat, but ensuring an appropriate profile for the IPPC in future requires greater ability to respond to governments and organizations (including FAO) with:

- information (white papers, explanatory documents, position and reference papers);
- representation (seminars, conferences);
- services (workshops, technical reviews, briefings); and
- liaison (e.g. joint work programmes, funding grants, cooperative agreements).

This cannot be achieved by only meeting work programme targets. This will require both capacity and technical competency increases within the Secretariat. The IPPC must be able to make appropriate inputs to outside activities and also ensure that the work programme is properly viewed, understood, and supported. This aspect of the Secretariat's role has been recognized and emphasized in the strategic planning processes of the ICPM. A full-time Secretary is viewed as an essential first step.

Currently, the Coordinator is the only professional staff member in the Secretariat who is devoted nearly full-time to IPPC business. A single individual provides administrative support for the programme. The Information Officer position has been vacant for several years and covered almost continuously by various temporary arrangements. This position has the responsibility for maintaining the IPPC web site, handling information and publication requests, editing documents, and maintaining references, files and archives for the Secretariat. Web site work in particular has become increasingly more demanding and sophisticated as

more information exchange is done via Internet and governments are becoming accustomed to finding up-to-date information on the web site. Continuing with only one person in this position is untenable.

In recent years, the Secretariat has been greatly assisted by an Associate Professional Officer (APO) sponsored by the United States. The contributions made to the programme by the APO are as significant as a full-time professional staff officer and have been a key factor in supporting the increase in work programme activity in particular as regards standard setting and technical assistance (primarily workshops). Likewise, the Secretariat has benefited from several visiting experts contributing to the work programme for periods ranging from a few weeks to several months. Many special projects and initiatives would have been impossible for the Secretariat to undertake without assistance from visiting experts.

Next Biennium: The IPPC needs to develop its own core competencies in order to operate in a sustainable manner and to optimise the effectiveness of any ad hoc resources. The Secretariat is vulnerable to extreme fluctuations in productivity and constant, major adjustments in the programme according to the availability of personnel.

An incremental increase in resources is necessary to sustain the modest work programme that has been developed and to ensure that the Secretariat has the personnel and financial resources to meet programme targets for the near-term.

The ICPM proposes an incremental increase in core work programme resources that would add:

- a full-time Secretary;
- two professional positions dedicated to the IPPC.

These resources would be in support of all aspects of the work programme of the IPPC.

Beyond: In support of the increased work program, a final incremental addition to the secretariat is proposed, namely:

- 1.5 additional Professional FTE's;
- one additional support staff;
- a full time Informatics officer.

6. International cooperation

This is not an area that requires specific additional funding beyond the increase of human resources proposed for the Secretariat. Some modest operating fund increases have been forecasted to cover travel and associated expenses for future cooperative efforts with other international organizations.

Summary of Resource Needs

The highlights are:

- the creation of a full time Secretary for the IPPC;
- the addition of two professional staff in 2004-05 and 1.5 professional staff in 2006-07 as well as operating funds to support these staff;
- the addition of one Informatics Officer in 2006-07;
- a significant increase in funding for the information sharing function, with specific recognition of the informatics needs and opportunities;
- an immediate increase in funding for standard setting to ensure that the workplan of four standards/year can be met in 2004-05 and a marginal increase for 2006-07 to manage the increased number of standards and the associated activities. A significant portion of this funding is to involve and assist developing countries;
- an increase in funding for Technical Assistance activities;
- an increase in funding for international cooperation activities in recognition of the rapidly emerging interface with other organizations such as the CBD in areas related to the IPPC's core mandate;

The financial implications of the needs of the IPPC are detailed in Appendix II and III. A summary is as follows:

2002-03: An in year funding increase of **US\$500K** in order to ensure continued activity within the IPPC.

2004-05: An increase to the annual budget of **US\$1M (Biennium US\$2M)**.

2006-07: An additional increase to the annual budget from the 2004-05 request of US\$800K/year (biennium US\$1.6M). This is an increase of US\$1.8M/year (**Biennium US\$3.6M**) from 2002-03 reference levels.

This would establish the biennium budget requirements of the IPPC as the following:

2002-2003: US\$2689K (currently US\$2189K) per biennium

2004-2005: US\$3998K per biennium

2005-2006: US\$5764K per biennium

Appendix I

STRATEGIC DIRECTIONS AND GOALS

STRATEGIC DIRECTIONS AND GOALS**Strategic Direction No. 1: The development, adoption and monitoring of the implementation of International Standards for Phytosanitary Measures (ISPMs)**

Setting international phytosanitary standards is a basic and unique role identified in the IPPC, particularly given the status accorded IPPC standards as a result of the WTO SPS Agreement. Internationally accepted phytosanitary standards form the basis for the harmonization of phytosanitary measures that protect natural and cultivated plant resources while ensuring fair and safe trade. An increased number of international standards is necessary to facilitate international trade as envisaged by the WTO SPS Agreement.

Goals for Strategic Direction No. 1

- 1.1 Maintain an effective standard development and adoption system using the ICPM and SC
 - 1.1.1 Increase the number of standards to meet targets established in the ICPM work programme
 - 1.1.2 Develop specific standards where relevant concept standards are in place
 - 1.1.3 Develop concept standards where necessary for the preparation of specific standards in priority areas
 - 1.1.4 Request RPPO cooperation in the development of ISPMs
- 1.2 Improve the standard-setting mechanism
 - 1.2.1 Establish "Guidelines on the establishment of commodity or pest-specific standards"
- 1.3 Ensure that ISPMs take account of the protection of the environment
 - 1.3.1 Establish a mechanism to review standards
- 1.4 Increase transparency and participation in the standard-setting process
 - 1.4.1 Increase the participation by developing countries in standard setting
 - 1.4.2 Develop efficient information sharing systems concerning standard-setting activities and procedures
- 1.5 Facilitate the implementation of standards
 - 1.5.1 Establish explanatory documents corresponding to ISPMs if needed
 - 1.5.2 Encourage RPPOs to assist their members in the implementation of ISPMs

Strategic direction No. 2: Information exchange

This strategic direction covers members and the IPPC Secretariat's obligations to provide information as specified in the IPPC and information exchange that may be specified by the ICPM or in ISPMs, including such information as pest lists, pest reports, and phytosanitary measures. Information exchange activities ensure that members communicate officially on phytosanitary regulations and other issues of phytosanitary significance, and determine the means by which the IPPC Secretariat makes them available to other members.

Goals for Strategic Direction No. 2

- 2.1 Establish procedures for pest reporting and information exchange
- 2.2 Promote increased access and use of electronic communication/Internet
- 2.3 Develop the IPP for provision of official information by countries
- 2.4 Establish systems to identify sources of information on pests

Strategic Direction No. 3: The provision of dispute settlement mechanisms

This relates to the non-binding dispute settlement provisions contained in Article XIII of the IPPC (1997). The ICPM is charged to develop rules and procedures for dispute settlement under the IPPC. The Convention explicitly recognizes the complimentary role of the IPPC in this area given the formal binding dispute settlement process that exists under the WTO.

Goals for Strategic Direction No. 3

- 3.1 Increase awareness of dispute settlement mechanism
 - 3.1.1 Develop information material concerning the requirements for effective preparation of a dispute settlement
- 3.2 Provide supporting information on IPPC and other dispute settlement systems
 - 3.2.1 Establish an inventory of other dispute settlement systems
 - 3.2.2 Provide rulings/precedents from dispute settlements (e.g. WTO)
 - 3.2.3 Establish a regular ICPM agenda item for dispute settlement

Strategic Direction No. 4: The development of the phytosanitary capacity of Members by promoting the provision of technical assistance

Article XX in the IPPC (1997) requires members to promote the provision of technical assistance especially to developing contracting parties, either bilaterally or through appropriate international organizations with the purpose of facilitating implementation of the IPPC. Adequate capacity and infrastructure for all Members are critical to accomplish the IPPC's goals.

Goals for Strategic Direction No. 4

- 4.1 Develop and maintain methods and tools for individual countries to evaluate and develop their phytosanitary capacity as well as their needs and demands for technical assistance
 - 4.1.1 Maintain and update Phytosanitary Capacity Evaluation (PCE)
 - 4.1.2 Promote use of the PCE
 - 4.1.3 Identify and develop additional technical assistance tools
- 4.2 Promote technical assistance
 - 4.2.1 Increase the number of workshops and other activities to improve the understanding and application of international standards
 - 4.2.2 Increase assistance for the establishment, revision and updating of national legislation
 - 4.2.3 Establish a checklist on phytosanitary legal and associated institutional issues
 - 4.2.4 Establish a process to identify and rank priorities for the ICPM's activities in technical assistance
- 4.3 Provide information to help Members obtain technical assistance from donors
- 4.4 Promote the improvement and development of RPPOs
 - 4.4.1 Assist RPPOs in the establishment of information systems

Strategic direction No. 5: The maintenance of an effective and efficient administrative framework

To function effectively, the ICPM must establish organizational structures and procedures, identify funding mechanisms, and address various support and administrative functions, including internal review and evaluation mechanisms. This strategic direction is to make provision for the ICPM to address its administrative issues and strategies, making continual improvement to ensure its business practices are effective and efficient.

Goals for Strategic Direction No. 5

- 5.1 Establish planning, reporting and review mechanisms
 - 5.1.1 Provide a transparent budget
 - 5.1.2 Increase Secretariat capacity through the use of FAO resources
 - 5.1.3 Review business plan annually
 - 5.1.4 Establish internal planning, review and evaluation mechanisms
 - 5.1.5 Report on activities of the Secretariat, including reporting by Secretariat on the implementation of the strategic plan
 - 5.1.6 Update strategic plan and operational programme annually
- 5.2 Establish strategies for increasing resources available to the IPPC
- 5.3 Identify the relationship of the IPPC Secretariat in the context of FAO
- 5.4 Establish procedures to identify issues where common action of the ICPM is required
- 5.5 Establish costing of all activities in Strategic Plan

Strategic Direction No. 6: Promotion of IPPC and cooperation with relevant international organizations

This strategy direction recognizes the need to communicate IPPC issues, obligations, processes and interests to all concerned, including other bodies with similar or overlapping interests, and to encourage RPPOs to promote regionally the implementation of the IPPC.

Goals for Strategic Direction No. 6

- 6.1 Promote the IPPC
 - 6.1.1 Encourage Members to deposit their instrument of acceptance for the New Revised Text
 - 6.1.2 Encourage non-contracting parties to adopt the IPPC
 - 6.1.3 Communicate IPPC issues, obligations, processes and interests to all concerned, including other bodies with similar or overlapping interests
 - 6.1.4 Request RPPOs to promote regionally the implementation of the IPPC
- 6.2 Strengthen cooperation with other international organizations
 - 6.2.1 Establish relations, identify areas of common interest, and where appropriate, develop coordinated activities and joint programmes with other relevant organizations including the CBD, OIE, Codex and WTO
 - 6.2.2 Strengthen cooperation and coordination with relevant organizations on technical assistance

- 6.3 Establish linkages with research and education institutions to identify a plan of action for the provision of scientific and technical support for the IPPC
- 6.3.1 Develop a plan of action for the provision of scientific and technical support for IPPC implementation

Appendix II**DEVELOPING COUNTRY PARTICIPATION IN IPPC STANDARD SETTING****Statistical summary submitted by the IPPC Secretariat
for the Fifth Session of the ICPM****Introduction**

Members of the ICPM have expressed their interest in understanding the level of participation by developing countries in standard-setting activities of IPPC. Provided below is a statistical summary and other information prepared by the IPPC Secretariat to describe the level of participation by developing countries in IPPC activities during 2002.

From the period 01 December 1999 to 31 December 2002, there were a total of thirty-nine (39) meetings organized by the IPPC Secretariat. Twenty-three (23) of these were expert working groups directly related to the formulation of international standards for phytosanitary measures (ISPMs). Seven (7) meetings were regional consultations on draft standards. The nine (9) remaining meetings were associated with business of the Interim Commission on Phytosanitary Measures (ICPM) in areas such as strategic planning, technical assistance, information exchange, and dispute settlement. All of these are included in this summary. The IPPC Secretariat can provide additional information or clarification on request.

Policies and procedures

FAO and the ICPM have policies and procedures regarding the provision of resources for the participation of individuals in different types of meetings. In particular, a distinction is made between individuals participating as experts and those who represent their governments.

Participants in expert working groups are phytosanitary experts nominated by countries or regional plant protection organizations and accepted by FAO for their individual expertise. As a general rule, the IPPC Secretariat attempts to ensure that experts are nominated and selected from different geographic regions. Funding for the travel and subsistence of participants in expert working group meetings is provided by the IPPC Secretariat through the regular programme budget of FAO except when such meetings are funded by a donor. The Secretariat requires that donor-funded meetings follow the same procedures and policies as those applied to expert working group meetings funded by the Secretariat.

At its Second Session in 1999, the ICPM adopted a recommendation for developed countries to voluntarily provide resources for the participation of their experts in meetings related to standard setting. The savings resulting from these voluntary contributions has helped the Secretariat to expand and accelerate standard setting and increased the possibilities for funding additional experts from developing countries.

Participants in ICPM business meetings and consultations are nominated by governments. They are not necessarily phytosanitary experts and are not confirmed by FAO. The Secretariat encourages broad geographic representation in such meetings, but the final composition is determined by countries depending on the availability of qualified individuals and their level of interest in the material under discussion. Although funding for the travel and subsistence of participants for such meetings is normally the responsibility of the government, it has been

the practice of the IPPC Secretariat to ensure that funds are available for developing country participants before organizing such meetings. This funding may be provided from the regular programme budget of the Secretariat or by one or more donors.

Statistical summary

I.

IPPC Expert Working Groups in Dec99-Dec02	23 meetings
Participants in Expert Working Groups	307 participants
Participants from developing countries	131 participants
Percentage of developing country representation in working groups	43% based on participants

II.

Regional consultation meetings	7 meetings
Number of participants	118 participants
Participants from developing countries	105 participants
Percentage of participants representing developing countries	89% based on participants

III.

Meetings for ICPM business	9 meetings
Participants	79 participants
Participants from developing countries	31 participants
Percentage of participants representing developing countries	39% based on participants

IV.

Total number of meetings	39 meetings
Total number of countries represented	100 countries
Developing countries represented	79 countries
Total number of participants (including observers)	504 participants
Participants from developing countries	267 participants
Percentage of participants representing developing countries	53% based on participants

Distribution of developing country participants by region

South America	40
Africa	24
Central America and the Caribbean	20
Asia and the Pacific	29
Eastern Europe	8
Near East	18

Consultation and approval procedures

Standard-setting procedures of the IPPC were established by FAO in 1993 and modified by the ICPM at its Second Session in 1999. These procedures require that draft standards be reviewed and approved by an international committee of phytosanitary experts, originally known as the Committee of Experts on Phytosanitary Measures (CEPM), the Interim Standards Committee (ISC) and its final form as the Standards Committee (SC).

The SC is critical in the IPPC standard-setting process because it is responsible for the advancement of standards at two stages in development. The SC reviews and approves draft standards before they are distributed to countries for comments and they also review comments and amend standards as necessary before draft standards are submitted to the ICPM for adoption. The twenty (20) SC Members are nominated by regions. All experts on the SC are confirmed by FAO and their participation in the Committee is funded by the Secretariat except where their governments voluntarily waive funding.

The standard-setting procedures of the IPPC include a consultation stage for all FAO Members and contracting parties to the IPPC to review and comment on draft standards. The comment period, originally ninety (90) days, was extended by the ICPM in 1998 to one hundred twenty (120) days. In the past, the IPPC Secretariat sent one or two documents for consultation each year. However, due to the recent expansion and acceleration of standard setting, five draft documents were sent to Members for consultation in 2002. A total of 119 responses were received from countries, including 62 responses from developing countries.

Adoption of standards

Standard-setting procedures of the IPPC require that all standards be adopted by the ICPM. The ICPM meets annually at the invitation of the Director-General of FAO and is composed of all FAO Members and contracting parties to the IPPC. Delegations to the ICPM are designated by the Member governments and in many cases include the FAO permanent representation to FAO. Participation by developing countries in the ICPM is not currently funded by the Secretariat but may be funded by donors and in future through a trust fund. Approximately 80% of Members represented in the first meetings of the ICPM (1998 and 1999) have been developing countries.

All standards submitted to the ICPM have been adopted by consensus. Provision has been made by the ICPM in its Rules of Procedure to adopt standards by a two-thirds majority vote if necessary, however a vote cannot be requested for the adoption of a standard on the first occasion it is submitted to the ICPM. All official documents of the ICPM, including standards are translated and made available to Members in the five official languages of FAO: Arabic, Chinese, English, French and Spanish.

Conclusion

Procedures and policies established first by FAO and more recently by the ICPM emphasize transparency, participation and geographic representation in the IPPC's standard-setting processes. All countries are provided with numerous opportunities to participate directly in the formulation and adoption of international standards for phytosanitary measures, at minimum through consultation and adoption procedures.

Developing country representation in working groups, committees, and consultations associated with standard setting routinely averages half or more. Funding is provided to ensure the participation of developing country experts or representatives in all IPPC meetings except the ICPM. The ICPM nonetheless enjoys a high level of representation by developing countries.

Financial Projection in '000s

SALARY

	2002	2003	2004	2005	2006	2007
Secretary	50	50	140	140	150	150
IPPC Professional	308	308	457	457	650	650
TA Prof (TCP)	115	115	115	115	115	115
Support	91	91	91	91	150	150
Informatics	0	0	0	0	100	100
Field Program Support (TA)	142	142	142	142	142	142
Yearly SUBTOTAL	706	706	945	945	1307	1307
Biennium SUBTOTAL		1412		1890		2614

OPERATING

ICPM			212	213	275	275
Strategy 1: Standards			535	535	750	750
Strategy 2: Information			142	142	150	150
Strategy 3: Dispute			0	0	0	0
Strategy 4: Tech Assistance			78	78	150	150
Strategy 5: Admin Struc			34	35	100	100
Strategy 6: Int'l Coop			52	52	150	150
Strategy 1-6	415	362				
Yearly SUBTOTAL	415	362	1053	1055	1575	1575
Biennium SUBTOTAL		777		2108		3150
Yearly TOTAL	1121	1068	1998	2000	2882	2882
Biennium TOTAL		2189		3998		5764

Proposed Number of Dedicated IPPC Secretariat FTE's

	2002	2003	2004	2005	2006	2007
Secretary	0.35	0.35	1.00	1.00	1.00	1.00
Professional	2.50	2.50	4.50	4.50	6.00	6.00
Support	1.00	1.00	1.00	1.00	2.00	2.00
Informatics	0.00	0.00	0.00	0.00	1.00	1.00

Gap Summary

	BUDGET		NEED		GAP	
2002	1121		1121		0	
2003	1068	<u>2189</u>	1568	<u>2689</u>	500	500
2004			1998			
2005		<u>2189</u>	2000	<u>3998</u>		1809
2006			2882			
2007		<u>2189</u>	2882	<u>5764</u>		3575

Total Gap 2004-05

1809

Total Gap 2006-07

3575

Appendix IV

2004-2005 Required Budget by Strategy

	<u>NON-SALARY OPERATING COSTS</u>					<u>GOE</u>	<u>Chargeback</u>	<u>TOTAL</u>	<u>SALARY</u>	<u>TOTAL</u>
	<u>Consultants</u>	<u>Contracts</u>	<u>Travel</u>	<u>Non exp eq</u>	<u>Hospitality</u>					
	<u>5013</u>	<u>5014</u>	<u>5021</u>	<u>5024</u>	<u>5025</u>	<u>5026</u>	<u>5028</u>	<u>5050</u>		
<u>Strategy 1 : Standards</u>	120	400	540	0	0	10	0	1070	518	
sub: ICPM	0	5	40	0	0	10	370	425		2013
<u>Strategy 2: Info Exchange</u>	100	100	64	10	0	10	0	284	458	742
<u>Strategy 3: Dispute</u>	0	0	0	0	0	0	0	0	18	18
<u>Strategy 4: Tech Assistance</u>	110	0	46	0	0	0	0	156	206	
sub: Field Prog Supp	0	0	0	0	0	0	0	0	284	646
<u>Strategy 5: Admin Struct.</u>	0	0	0	20	0	49	0	69	222	291
<u>Strategy 6: Int'l Coop</u>	20	0	74	0	0	10	0	104	170	274
<u>Unassigned</u>									14	14
<u>TOTALS</u>	350	505	764	30	0	89	370	2108	1890	3998

Notes for Strategy 1

- Contracts include publications. Approximately 100K for Standards
- Consultants includes a component for translation of the Standards
- Travel includes a training component for regional standards evaluation and a component for efficacy working group meetings
- Chargeback for ICPM includes translation of ICPM documents and Interpretation

Notes for Strategy 4

- field program support has traditionally been included in with technical assistance

Notes for Unassigned

- staff time for regional standard setting