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INTERIM COMMISSION ON PHYTOSANITARY MEASURES

Seventh Session

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Budget 2005 for the Trust Fund for the IPPC

Agenda Item 8.5 of the Provisional Agenda

I. Allocation of funds from the Trust Fund for the IPPC

1. At the sixth session of the ICPM, it was agreed that the first US\$500,000 received under the Trust Fund for the IPPC should be used to support attendance at the ICPM and at regional workshops on draft ISPMs, and technical assistance for the implementation of ISPMs, with additional funds allocated to the PCE and information exchange. The relative allocations of the Trust Fund for the IPPC to various activities (by percentage, as agreed at ICPM-6) are shown in Table 1 (annexed). This provides guidance to the IPPC Secretariat on how to best utilize the contributions to the Trust Fund for the IPPC.

2. In its decision regarding allocation, the ICPM did not indicate whether such an allocation would apply every year or only to the first US\$500,000. Consequently, the Secretariat seeks further guidance from the Commission on the application of this rule. In addition, other earmarked funds from the EU (earmarked for standard setting, including funding participation in ICPM) and the Standards and Trade Development Facility (STDF) (earmarked for implementing ISPM No. 15) have now been provided to the IPPC Secretariat through separate Trust Funds. The management of these funds has become increasingly complex, with allocations from separate Trust Funds being designated for the same activities as those under the Trust Fund for the IPPC. In order to meet these challenges, the ICPM might consider giving the IPPC Secretariat additional flexibility by allowing it to submit an adjusted budget plan to the ICPM in subsequent years.

II. Budget for 2005

3. To date only Canada and New Zealand have made contributions to the Trust Fund for the IPPC. Estimated revenues from the Trust Fund for the IPPC in 2005 are provided in Table 2 (annexed).

4. Table 3 (annexed) provides a proposed allocation of the Trust Fund for the IPPC for 2005 in US\$ (based on the percentage as agreed at ICPM-6).

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III. Budget for 2006

5. Specific decisions of the ICPM have increased the operating costs of the IPPC Secretariat, such as the increase in the number of Standard Committee members, the addition of four Technical Panels and the increase in the frequency of the Standards Committee meetings to deal with the increased number of standards being processed. In addition, the ICPM has received very positive feedback from the seven regional workshops held to review draft standards. These items alone add over US\$500,000 in additional expenditure.

6. The level of the FAO Regular Programme budget for the Biennium 2006-2007 is subject to the decisions of the FAO Conference, which will meet in November 2005. However, the funding from the FAO Regular Programme arrears that were made available in 2004-2005 will no longer be available. This may potentially reduce the Regular Programme budget by between US\$450,000 and US\$800,000, dependent on the budget level adopted by the Conference. This will affect in particular the Regular Programme contribution to funding of developing country participation in the work programme of the ICPM. At present it is not possible to judge the outcome of the budget discussions; consequently, it is difficult to set a desired level for the 2006 budget of the Trust Fund for the IPPC. However, in view of the present budget level, the budget of the Trust Fund for the IPPC should be in the range of at least US\$850,000 to US\$1,150,000 if the Trust Fund for the IPPC is used to maintain the current level of activities. Such funds would need to be committed and transferred before the end of 2005 to enable a proper budgetary process.

7. The ICPM is invited to:

1. *Note* the anticipated contributions to the Trust Fund for the IPPC for 2005.
2. *Agree* to the proposed allocations of the Trust Fund for the IPPC to the various activities for 2005 as shown in Table 3.
3. *Agree* to the Secretariat exercising some flexibility in preparing a budget for the Trust Fund for the IPPC in future years, for adoption by the ICPM.
4. *Provide* further guidance on the ICPM-6 decision regarding the allocations of the Trust Fund for the IPPC.
5. *Encourage* donors to contribute to the Trust Fund for the IPPC.
6. *Thank* the Government of Canada for its committed contribution to the Trust Fund for the IPPC in 2005.

Table 1: Relative allocations of the Trust Fund for the IPPC by percentage as agreed at ICPM-6.

ACTIVITY (funds are to be used to benefit developing countries)		Allocation of funds by %
Standard setting activities		
Travel to attend the ICPM		25%
Travel for Standards Committee and expert working groups		5 %
Regional workshops on draft ISPMs		25 %
Technical assistance for implementation of ISPMs		15 %
Not to exceed 30%	Phytosanitary Capacity Evaluation	17 %
	Information exchange	10 %
	General operating expenses	3 %
TOTAL		100%

Table 2: Estimated revenues for the Trust Fund for the IPPC in 2005

Trust fund for the IPPC (in US\$)				
Date	Activity	Revenues	Expenditures	Balance
31 December 2004				\$187,786
February 2005	Estimate of the contribution from Canada (\$200,000 Cdn)	\$161,563		\$349,349

Table 3: Allocations of the Trust Fund for the IPPC for 2005

Percentage allocated as agreed to at ICPM-6	Activity	Amount (in US\$)	Total
25% Travel to ICPM	Approximately 24 participants from developing countries will have their travel to ICPM7 funded	\$82,400	
5% Travel for Standards Committee and expert working groups	This will fund approximately 4 Standards Committee members to participate in a Standards Committee meeting	\$16,500	
25% Regional workshops on draft ISPMs	This will fund two regional workshops to review draft ISPMs	\$82,400	
15% To help implement ISPMs	This will help in the delivery of training workshops, one on the practical implementation of ISPM No. 15 and one on training in pest risk analysis	\$49,400	
17% Phytosanitary Capacity Evaluation	This will fund approximately 14 participants from developing countries to attend one of two workshops on capacity building through the use of the PCE and a meeting to discuss the future use of the PCE for technical assistance	\$56,025	
10% Information exchange	This will fund approximately 8 participants from developing countries to attend the IPP Support Group meeting and will fund the further development of some web pages for the IPP	\$32,950	
3% Administration	This will fund clerical support to arrange the travel of participants to the various meetings of the IPPC	\$9,900	
Total expenditures			\$329,575
6% on total expenditures	FAO overhead charge	\$19,774	
Total including FAO overhead charge			\$349,349