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COMMISSION ON PHYTOSANITARY MEASURES

First Session

Rome, 3 – 7 April 2006

Potential Funding Arrangements of the IPPC

Agenda Item 12.5.2 of the Provisional Agenda

I. Introduction

1. ICPM-7 (2005) discussed the long-term funding options available for funding IPPC activities and staff, and agreed to the establishment of a Focus Group to conduct a further analysis of the potential funding arrangements of the IPPC.
2. In 2004, the report from the Focus Group on SPTA matters to ICPM-7 described four funding options:
 - i) IPPC independent budget (housed in FAO but budget separate)
 - ii) FAO budget and country contributions
 - iii) FAO budget and service charges or fees
 - iv) Continuation of the current system.
3. The Focus Group on SPTA matters had concluded that no definite recommendation for one of these models could be made without further information on the functioning of the ICPM and IPPC Secretariat (as would be provided by an evaluation of the IPPC). The SPTA meeting in October 2004 recommended that a consultant evaluate the long-term funding options for the IPPC with emphasis on a two stage approach. The first stage would relate primarily to the evaluation of funding options for the IPPC and the second stage would incorporate an evaluation of the IPPC and its structures. This latter evaluation was agreed to by ICPM-7 and is to be undertaken by the FAO Evaluation Service (see agenda item 12.5.1).

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II. 2005 Focus Group on the analysis of the potential funding arrangements of the IPPC

4. The Focus Group on the analysis of the potential funding arrangements of the IPPC (FG) met in July 2005. It analyzed different funding options and schemes, indicating their advantages and disadvantages and incorporating their practical and legal implications.
5. The analysis concentrated on five funding options:
 - mandatory assessed contribution
 - voluntary assessed contributions
 - expanding the scope of the multilateral IPPC trust fund
 - bilateral trust funds and in-kind contributions
 - fees or service charges.
6. The conclusions of the FG meeting included the following points:
 - i) The FG expressed strong concern over the budget of the IPPC. It noted that the regular programme budget (approximately US \$3.5 million for the biennium 2006-7) in the most positive case would be increased by 15% from the 2004-5 level, which would still only cover 50% of the Business Plan projections. The objectives of the Business Plan under these circumstances could not be met and sustainable development of the IPPC would not be possible.
 - ii) As a result of the above, the FG believed that there would be a need for a presentation by the Secretariat at the SPTA of the consequences of no additional funding. In this presentation, the Secretariat would propose what activities would have to be put on hold.
 - iii) The FG requested that the Secretariat provide a paper to the SPTA proposing the establishment of a trust fund with voluntary assessed contributions in order to support the core activities of the IPPC. The paper would include a listing of all countries and their proposed voluntary assessed contributions.
 - iv) The FG also recommended that contracting parties of the IPPC should be invited to support the IPPC by providing in-kind contributions, for example hosting and financing expert working groups (EWGs) and technical panels (TPs), including, where possible, the participation of participants from developing countries, translation of documents, etc.
 - v) Due to the fact that no new details on funding possibilities through fees and services charges were available, the FG recommended that this subject should be analyzed and discussed in detail during the next year, based on a background paper prepared by the Secretariat on the experience of other organizations (e.g. OIE, ISTA).
 - vi) The FG recommended that contracting parties should continue to lobby for an increased regular budget of the IPPC from FAO. It also stressed that contracting parties should continue to be invited to contribute to the existing IPPC multilateral trust fund which will ensure an adequate involvement of developing countries in IPPC activities.

III. SPTA meeting in 2005

7. In October 2005, the SPTA spent considerable time discussing the report of the FG and the various options available to the Commission to increase its funding. It was felt that, in particular, sponsorship of meetings would be of long-term benefit in meeting budget shortfalls. The opportunities for such sponsorship should be outlined by the Secretariat.
8. The collection of fees as a means of funding IPPC activities was discussed in detail. Topics such as legal implications (including how Conventions were funded and how contracting parties could collect) and the reaction of industry/stakeholder groups that benefited from the Convention were addressed. It was recognized that collecting fees was an expensive process and

that many countries may need to rewrite laws. In addition, fees may vary from country to country as there could be problems with a uniform fee applying to all countries. Fees paid to the IPPC could be based on an assessed contribution. There was some concern expressed over the risk of a compensatory reduction of the regular programme funding if fees were implemented.

9. The SPTA recommended that:
 - i) contracting parties be invited to support the IPPC by providing in-kind contributions, particularly the sponsorship of meetings (e.g. EWGs, TPs) including travel for delegates, meeting rooms and document production.
 - ii) service fees and charges be further investigated but that such an analysis should first look at the framework of the evaluation of the IPPC (possible stakeholder benefits and opinions might be considered in this framework).
 - iii) an in-house FAO legal analysis of service charges and fees should be carried out (managed by the Secretariat) and that this also be considered in the framework of the evaluation of the IPPC.
 - iv) the Secretariat discuss the use of fees with other organizations that are in similar activity areas (e.g. OIE, ISTA) to enquire about their systems of fees.
 - v) SPTA members be invited to make a contribution to the next meeting of the SPTA as to how they could imagine a fee system for the IPPC.
 - vi) information collected (including the IPPC evaluation) be considered next year and further action taken accordingly.
10. The SPTA strongly supported the further investigation of the use of a voluntary assessed contribution system for funding the IPPC. The SPTA recommended that an information package, including a schedule of contributions, be prepared by the Secretariat, to be presented to CPM-1 for discussion (see document CPM 2006/22 under agenda item 12.5.3).
11. The CPM is invited to:
 1. *Consider*, and if appropriate, *adopt* the recommendations of the SPTA.