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para la
Agricultura
y la
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Item 18 of the Draft Provisional Agenda

INTERNATIONAL TREATY ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE

FIRST SESSION OF THE GOVERNING BODY

Madrid, Spain, 12–16 June 2006

DRAFT WORK PROGRAMME AND BUDGET FOR THE BIENNIUM 2006/2007

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DRAFT PROGRAMME OF WORK AND BUDGET FOR THE BIENNIUM 2006/2007

I. INTRODUCTION

1. Article 19.3d of the Treaty requires the Governing Body to adopt a budget for the Treaty.
2. At its second meeting, the Interim Committee for the Treaty considered the document, *Elements of a Work Programme and Indicative Budget for Adoption by the Governing Body*.¹ It took a number of decisions and expressed a number of views regarding the programme of work and budget for the Governing Body,² which are reflected in the current document.
3. This document briefly reviews: the methodology adopted in this document; possible elements of the programme of work of the Governing Body in 2006/07; the nature of the budget; the main elements of the budget; and procedures for establishing the budget.
4. It is important to note that this paper does not deal with the question of how the budget should be funded. This is a matter for the Financial Rules of the Governing Body, which are to be considered under Agenda Item 6.

II. METHODOLOGY

5. This document uses the structure of the Core Administrative Budget and Special Trust Funds proposed in the document. “*Annotated Draft Financial Rules of the Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture*”,³ the main elements of which are reproduced at *Appendix I* to the present document. In this structure, the budget is made up of three main parts:
 - the Core Administrative Budget;
 - a Special Fund (or funds) for voluntary contributions for agreed activities not covered by the Core Administrative Budget; and
 - a Special Fund for voluntary contributions to support the participation of developing country Contracting Parties in activities of the Governing Body.
6. With regard to the **Special Fund for voluntary contributions for agreed activities not covered by the Core Administrative Budget**, these might include such activities as *ad hoc* meetings to consider particular aspects of the Treaty, called for and entirely financed by one or more Contracting Parties. These would clearly be in addition to the activities the Governing Body has prioritized, through their inclusion within the Core Administrative Budget. The Governing Body may therefore wish to determine whether or not such activities should be undertaken before the activities covered by the Core Administrative Budget has been fully financed. Whether or not such a decision is taken, it is clear that a “budget” for activities not covered by the Core Administrative Budget would be difficult to establish.

¹ Document CGRFA/MIC-2/04/6.

² See paragraphs 21 to 25 of the *Report of the Second Meeting of the Interim Committee*, document CGRFA/MIC-2/04/REP.

³ Document IT/GB-1/06/4, *Draft Financial Rules of the Governing Body*, see also IT/GB-1/06/4 Add.1, *Annotated draft Financial Rules of the Governing Body*.

7. It should be noted that matters related to the **Special Fund for voluntary contributions to support the participation of developing country Contracting Parties** are dealt with in the document, “*Arrangements for supporting the participation of developing country Contracting Parties in sessions of the Governing Body and its subsidiary bodies*”,⁴ and not in this document.

8. This document, therefore, focuses on the preparation of the Core Administrative Budget only.

9. In order to develop the **Core Administrative Budget**, the Governing Body will need to establish a Programme of Work. This document, therefore, considers the tasks required of the Governing Body by the International Treaty, so that priorities may be determined. The Core Administrative Budget is then broken down into its various elements, and an estimated cost for each of these elements is presented. These elements are then identified in the matrix in *Appendix 2* to the present document, in which an indicative budget is also shown. This matrix will be projected during the meeting of the Governing Body, so that any amendments made to the various elements can be introduced and the effect on the total budget shown.

10. Attention is drawn to the draft timetable,⁵ which foresees the items of the agenda divided between two working groups over the week. It is therefore proposed that the Governing Body establish a Budget Committee at the time of adopting its agenda, to be informed of the financial implications of the decisions taken by these working groups, and prepare a single budget accordingly, for consideration of the Plenary.

11. Without entering into the question of how the budget is covered, which the Governing Body will need to address under item 6 of its draft provisional agenda, or purely illustrative purposes, a possible scale of contributions for Contracting Parties, based on the FAO scale of contributions, is shown at *Appendix 3*. An assessment of what this means in terms of actual contributions, based on the indicative budget shown at *Appendix 2*, is also shown.

III. ACTIVITIES TO BE INCLUDED IN THE PREPARATION OF THE PROGRAMME OF WORK

12. The Treaty identifies an extensive list of decisions that the Governing Body must or should take, and issues that it must or should consider, in the initial years. The Treaty requires some of these tasks to be carried out during the first or second sessions of the Governing Body and others to be carried out within a specified period of time, while others have no time limitations. These are summarized in *Appendix 4*.

13. The agenda for the current session reflects those issues on which the Governing Body must take a decision at its first session. However, given the extensive list of issues it must consider, and the time limits within which decisions must be taken, the Governing Body may wish to identify priority issues for consideration at its second and, possibly, third sessions. Possible issues for consideration at these sessions are given in *Appendix 5*. The Governing Body may also wish to include additional items of work, beyond those indicated in *Appendix 5*.

14. Attention is drawn to the fact that it is proposed that the session of the Governing Body be held within the budget period 2006/07.

⁴ Document IT/GB-1/06/16,

⁵ Document IT/GB-1/06/2, *Draft provisional annotated agenda and time-table*.

IV. THE NATURE OF THE CORE ADMINISTRATIVE BUDGET

15. The Core Administrative Budget covers the cost of implementing the activities of the Governing Body identified under the Programme of Work.⁶ Such activities are managed by, and the associated costs incurred by, the Secretariat. The Core Administrative Budget, therefore, covers the core functions of the Secretariat. These functions are, at a minimum, those listed as the functions of the Secretary in Article 20 of the Treaty:

- the cost of Secretariat staff;
- operating costs of the Secretariat;
- the preparation for and running of meetings;
- the carrying out of other activities by the Secretariat, as determined by the Governing Body; and
- provision for a working capital reserve.

16. The Core Administrative Budget may therefore be established on the basis of three main cost elements, as is done in section V, below:

- the Secretariat;
- administrative expenditure; and
- the working capital reserve.

V. THE CORE ADMINISTRATIVE BUDGET

V.1 Background

Secretariat

17. Article 20.1 of the Treaty provides that:

*“The Secretary of the Governing Body shall be appointed by the Director General of the FAO, with the approval of the Governing Body. The Secretary shall be assisted by such staff as may be required”.*⁷

18. Before 2006, the Secretariat of the Treaty had no staff positions budgeted. For the period in which the Commission on Genetic Resources for Food and Agriculture has acted as Interim Committee for the Treaty, Secretariat support has been provided by the Secretariat for the Commission.⁸ However, FAO’s governing bodies have now approved the Revised Programme of Work and Budget for the full 2006/2007 biennium, which provides for the

⁶ The Core Administrative Budget does not include provision for the implementation of the supporting components of the Treaty (the *Global Plan of Action*, International Networks or the Global Information System, which are technical activities supported under PE2AP01). Support for such activities is already provided for under the Regular Programme of the FAO with occasional additional support from extra-budgetary resources. In the light of the entry into force of the Treaty, countries may consider that the Regular Programme should be strengthened in this regard.

⁷ See document IT/GB-1/06/11, *Appointment of the Secretary and other matters related to the establishment of the Secretariat*.

⁸ The work of the Interim Secretariat has been generously supported through contributions received from Canada, Finland, Germany, Ireland, Italy, Italy, Japan, Norway, Spain, Switzerland, Usa and through support in kind, either through the hosting or funding of meetings (European Commission, Norway, Tunisia, Spain, Switzerland and the USA), through technical support (the Netherlands) or through the secondment of senior officers (Germany, the Netherlands, United Kingdom).

servicing of the Secretariat of the Treaty in the Plant Production and Protection Division of the Agriculture, Biosecurity, Nutrition and Consumer Protection Department. The approved revised FAO Programme of Work and Budget for the full 2006/2007 biennium also provides for two posts and non-staff resources to serve the Treaty Secretariat (under Programme Entity 2AP03).

19. The Governing Body will need to decide upon the initial size of the Secretariat to be funded through the budget, bearing in mind that the precise staffing arrangements are a matter of the normal executive authority of the Secretary, within the budget established by the Governing Body. It is essential that resources for the 2006/2007 core administrative budget be available as soon as possible to enable the Secretariat to carry out the programme of work, including through the hiring of staff (the FAO contribution is already available).

20. In the initial years of the Treaty, the Secretariat is likely to be asked to perform many activities in the nature of gathering and analysis of information on a range of issues, to enable the Governing Body to take informed decisions. The most cost efficient way of carrying out such tasks is often through the short-term hire of consultants. The Governing Body will therefore wish to include an appropriate provision for consultants in its initial budget.

Administrative Expenditure

21. Article 20.2 provides that:

“The Secretary shall perform the following functions:

- a) arrange for and provide administrative support for sessions of the Governing Body and for any subsidiary body as may be established;*
- b) assist the Governing Body in carrying out its functions, including the performance of specific tasks that the Governing Body may decide to assign to it;*
- c) report on its activities to the Governing Body.”*

22. In addition, Article 20.5 states that:

“The Secretary shall cooperate with other organizations and treaty bodies, including in particular the Secretariat of the Convention on Biological Diversity, in achieving the objectives of the Treaty.”

23. In order to perform these duties effectively, the budget will need to provide the Secretariat with adequate financial resources to cover expenditure related to:

- Meetings of the Governing Body;
- Meetings of any subsidiary bodies the Governing Body may decide to establish;
- Duty travel;
- Publications;
- Equipment;
- Consumables;
- Communications; and
- Operating expenses.

24. Provision should also be made for General Operating Expenses, to cover certain costs borne by FAO, which are difficult to estimate on an individual basis, including rental of premises, cleaning of premises, electricity, heating/air-conditioning, water, postal and pouch services, courier services, facsimile charges, telephone costs, hospitality, water and other miscellaneous expenses. Provision is made at 8% of the Core Administrative Budget, excluding the Working Capital Reserve.

25. In addition, Project Servicing Costs⁹ will be charged by FAO to reimburse it for the administrative and operational support services provided to the Governing Body, its subsidiary bodies and the Treaty Secretariat, under such terms as may, from time to time, be established by the Governing Bodies of the FAO.¹⁰ According to the Organization's existing policy, a 6% rate is charged on projects of a normative nature implemented at headquarters or regional offices.¹¹ This rate is currently under review.

Working Capital Reserve

26. Rule VI.3 of the draft Financial Rules¹² states:

“Within the General Fund there shall be maintained a working capital reserve at a level to be determined from time to time by the Governing Body by consensus. The purpose of the working capital reserve shall be to ensure continuity of operations in the event of a temporary shortfall of cash. Drawdowns from the working capital reserve shall be restored from contributions as soon as possible”.

27. A working capital reserve will therefore need to be established within the first budget of the Governing Body. It would only need replenishing in subsequent budgets if it had been drawn down upon in the previous budget period.¹³

V.2 Evaluating the Core Administrative Budget

Budget Period

28. Rule 2.1 of the draft Financial Rules for the Governing Body¹⁴ establishes that the financial period shall be two calendar years, coinciding with the financial period of FAO. The current financial period of FAO is 2006/2007.

29. The budget of the Interim Committee covers the period up to and including the first session of the Governing Body,¹⁵ and the Programme of Work and Core Administrative Budget to now be adopted by the Governing Body will therefore be for the eighteen-month period of July 2006 to December 2007.

⁹ Project servicing costs (PSC), as defined in FAO Manual Section 250, are those costs levied against project budgets to counterbalance the costs of administrative and operational services (AOS). AOS are a necessary and inherent part of any project which the Organization agrees to execute, but which, because of their nature, cannot be readily or directly singled out for charging to the project itself. The FAO Support Cost policy was approved by Council in CL 119/REP Report of the 119th Council, paragraph 70, and is reviewed and updated annually by the Finance Committee.

¹⁰ The *Annotated Draft Financial Rules* (IT/GB-1/06/3 Add.1), make provision for PSC under Rule VII, Reimbursement.

¹¹ It is of note that most UN/UNEP conventions apply a charge of 13%.

¹² See Appendix to document IT/GB-1/06/4 Add. 1.

¹³ The Working Capital Reserve would require replenishment if used for cover unforeseen expenditure, such as the holding of a special session of the Governing Body, as provided for under Article 19.10 of the Treaty. If it were used merely for expenditures incurred at the start of a budget period, while awaiting contributions from Contracting Parties, replenishment would not be required.

¹⁴ See Appendix to document IT/GB-1/06/4 Add. 1.

¹⁵ The second meeting of the Interim Committee “recommended that a draft budget should be established for the period 2006/2007, avoiding overlap with the budget for the Interim Committee” (paragraph 21 of the *Report of the Second Meeting of the Interim Committee*, document CGRFA/MIC-2/04/REP).

Secretariat

30. Given the range of complex and difficult issues that need to be resolved in order to achieve full implementation of the Treaty in the next few years, and in order to facilitate the decision making process, there will be a need for substantial preparatory work to be undertaken by the Secretariat, particularly of a policy analysis and process nature.

31. It is clear that the ability of the Secretariat to support the Governing Body in this process will depend upon the availability of adequate staff resources. The Governing Body is therefore requested, in considering the draft budget, to place high priority on Secretariat staff requirements.

32. The second meeting of the Interim Committee considered a proposal that the initial Treaty Secretariat should be composed of a Secretary (D-1); a Senior Treaty Support Officer (P-5); a Senior Policy Coordinator Officer (P-5); a Treaty Support Officer (P-3); an administrative support (G-5); a clerical support (G-4); and a clerk (G-3). Based on the experience of the Interim Committee, particularly in the twelve months prior to the first session of the Governing Body, an additional Treaty Support Officer at P-4 level would be required. This is the basis of the current proposal.

33. The Secretariat also proposed a provision for consultancy, based on previous experience in the context of the Commission on Genetic Resources for Food and Agriculture. In considering this proposal the Interim Committee concluded that “*the staffing requirements and consultancy provision proposed [...] were necessary for the effective implementation of the International Treaty*”.¹⁶ *The Matrix in Appendix 2* indicates current pro-forma staff costs for the relevant grades and includes the provision for consultancy as considered by the Interim Committee.

Meetings

34. Regular sessions of the Governing Body must be held at least once every two years¹⁷. Special sessions may be held at such other times, as determined by the Governing Body, or at the written request of any Contracting Party that has the support of at least one third of the Contracting Parties.¹⁸ The Governing Body may also establish such subsidiary bodies as may be necessary, as provided for in the Treaty.¹⁹

35. The second meeting of the Interim Committee recommended that there should be two sessions of the Governing Body, in its first Biennium, of which the current session is the first.²⁰ In addition, the Treaty states that sessions of the Governing Body should “*as far as possible, be held back-to-back with the regular sessions of the Commission on Genetic Resources for Food and Agriculture*”.²¹ The next regular session of the Commission on Genetic Resources for Food and Agriculture is likely to take place in the first half of 2007. The Governing Body may, therefore, wish to plan for its second session to be held back-to-back with the Commission in the first half of 2007. On this basis, the first budget of the Governing Body would have to include the cost of the second regular session of the Governing Body. The third session would

¹⁶ See paragraph 23 of the document CGRFA/MIC-2/04/REP, *Report of the Second Meeting of the Interim Committee*.

¹⁷ Article 19.9.

¹⁸ Article 19.10. It is of note that the holding of special sessions would be subject to the availability of the necessary funds. The Governing Body may wish to ensure that the Working Capital Reserve is sufficiently large to cater for this contingency.

¹⁹ Article 19.3e.

²⁰ See paragraph 21 of document CGRFA/MIC-2/04/REP.

²¹ Article 19.9.

be covered by the budget for 2008/2009, to be established by the Governing Body at its second session.

36. The second meeting of the Interim Committee also recommended that the first two sessions of the Governing Body should last for five days each.²² However, the Governing Body may wish to review this recommendation, in the light of its programme of work.

37. The holding of special sessions of the Governing Body would be subject to the availability of the necessary funds. The Governing Body may, therefore, wish to ensure that the Working Capital Reserve is sufficiently large to cater for this contingency.

38. Article 19.3e of the Treaty requires the Governing Body to “*consider and establish subject to the availability of necessary funds such subsidiary bodies as may be necessary, and their respective mandates and composition*”. Rule 9.3 of the *draft Rules of Procedure of the Governing Body*²³ states that “*the establishment of subsidiary bodies shall be subject to the availability of the necessary funds in the relevant chapter of the approved budget of the Treaty. Before taking any decision involving expenditure in connection with the establishment of subsidiary bodies, the Governing Body shall have before it a report from the Secretary on the administrative and financial implications thereof.*”

39. The second meeting of the Interim Committee recommended that no *ad hoc* subsidiary bodies be established until the Governing Body had identified the most important elements in the implementation of the Treaty.²⁴ However, the Governing Body may wish to consider the establishment of a permanent technical advisory committee. A proposal for this is contained in the document, “*Possible Establishment of a Permanent Technical Advisory Committee*”,²⁵ and the issue is to be considered under Agenda Item 11. The membership of such a technical advisory committee might be open-ended or, for example, based on the model of the Inter-governmental Technical Working Groups on Animal and Plant Genetic Resources for Food and Agriculture, that is, 27 members elected on a regional basis: 5 each from Africa, Europe, Asia, and from Latin America and the Caribbean; 3 from the Near East; and 2 each from North America and the Southwest Pacific. Should the Governing Body decide to establish a permanent technical advisory committee, for budget purposes it would also need to determine the duration of any meeting.

40. There are three main cost factors to take into account when estimating the cost of running meetings: the preparation of documentation; interpretation and meeting facilities.

41. With regard to the preparation of documents, Article 20.5 of the Treaty states that “*The Secretary shall provide documentation in the six languages of the United Nations for sessions of the Governing Body*”. However, there is no indication as to the type of “documentation” that should be translated (the practice, for example, of the Commission on Genetic Resources for Food and Agriculture has been to provide all working documents in the FAO languages and to translate selected information documents only). This question is to be considered in the context of the Rules of Procedure for the Governing Body, under Agenda Item 5.²⁶ The decision taken will have substantial budgetary consequences.

²² See paragraph 21 of document CGRFA/MIC-2/04/REP.

²³ Document IT/GB-1/06/3.

²⁴ See paragraph 22 of document CGRFA/MIC-2/04/REP.

²⁵ Document IT/GB-1/06/8.

²⁶ See annotations to rules 11.1 and 11.2 in the document, “*Annotated Draft Rules of Procedure of the Governing Body*”, document IT/GB-1/06/3 Add.1.

42. The cost of documents depends not only on the number of languages into which they must be translated, but also on the number and size of documents.²⁷ For the first session of the Governing Body a total of 43 pre-session documents have been prepared. Taking into account an estimate for in-session documentation and the preparation of the final report, the total estimated cost of document translation and printing for the first session of the Governing Body is \$230,000.

43. The Treaty provides no indication as to the languages for which interpretation should be provided at meetings of the Governing Body or of its subsidiary bodies. This issue is also to be considered in the context of the Rules of Procedure for the Governing Body, under Agenda Item 5.²⁸ The cost of interpretation will vary according to the number of languages, the number of days of meetings, the number of sessions and the location of meetings. The estimated cost of interpretation for the first session of the Governing Body is \$ 285,500.

44. The budget is prepared on the assumption that meetings will be held in Rome, where FAO will provide in-kind support to such meetings, and where travel and daily subsistence for the Secretariat is not required.

45. Taking into account the various elements identified above, the estimated costs of running meetings, based on current prices, are given in *Table 1* below.

Table 1: Estimated Meeting Costs

Type of Meeting	Meetings Costs \$
Second Meeting of Governing Body <ul style="list-style-type: none"> • 5-day • 10-day 	715,000 840,000
Permanent Technical Advisory Committee <ul style="list-style-type: none"> • 3-day • 5-day 	130,000 180,000

Other costs

46. The core budget will need to cover a range of other costs, including duty travel, publications, capital costs for office equipment and furniture, consumables and communications, and Project Servicing Costs. Estimates for these costs, based on the experience of the Commission on Genetic Resources for Food and Agriculture, are included in the matrix at *Appendix 2*.

Working Capital Reserve

47. The majority of initial budgets for international agreements adopted in recent years have included a working capital reserve in the range of 5% (Convention on Biological Diversity) to

²⁷ Current translation charges range from \$295 per 1,000 words per language for documents submitted for translation more than 10 weeks before the start of the meeting, to \$614 for documents submitted within six weeks of the start of the meeting. Printing is charged at \$24/1000 page impressions.

²⁸ See annotations to rules 11.1 and 11.2 in the document, “*Annotated Draft Rules of procedure of the Governing Body*”, document IT/GB-1/06/3 Add.1.

15% (Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal) of the core budget.

48. There are three specific occasions on which the Working Capital Reserve is likely to be needed:

- temporary, to cover the cost of Secretariat staff at the beginning of a biennium, should contributions by countries be delayed. At 2007 prices, a provision of \$646,000 would be needed;
- the convening of a special session of the Governing Body, which, for a five-day meeting, is estimated at \$715,000 (see *Table 1* above);
- to allow for currency fluctuations, bearing in mind that the budget is established in US dollars, while most expenditures are in Euros. Moreover, the financial rule as the currency or currencies of payment have not yet been decided, and this will have implications for the use of the Working Capital Reserve.²⁹

49. A Working Capital Reserve assessed at 5% or 15% of the indicative budget set out in *Appendix 2* would amount to \$190,013 or \$570,040 respectively.

VI. ESTABLISHING THE BUDGET

50. The second meeting of the Interim Committee considered that “the funds from the FAO Regular Programme for the Treaty Secretariat would need to be fully taken into account, in establishing the budget and work programme”.³⁰ The issue of the availability of funds from the FAO Regular Programme is considered in the context of the Financial Rules of the Governing Body.³¹

51. The second meeting of the Interim Committee also requested the Secretariat to prepare a paper on the sources and amounts of financial resources available to support the activities of the Governing Body.³² It should be noted that the Regular Programme of the FAO is the only existing source of financial resources available to support the activities of the Governing Body. For the purpose of this document, the contribution from the FAO Regular Programme of Work and Budget, covering a full 24-month biennium, is taken to be \$ 1,124,000.³³

52. In *Appendix 2*, a matrix sets out the main elements of the Core Administrative Budget, which is for the Governing Body’s consideration. This contains an indicative budget reflecting these elements, which will be adjusted according to the decisions of the Governing Body regarding its Programme of Work 2006/07.

VII. RECOMMENDATIONS

53. The Governing Body is requested to adopt a Programme of Work 2006/07, taking into account the priorities identified in *Appendix 5*. This work programme might include:

²⁹ Draft Financial Rule V.9 (document IT/GB-1/06/3 Add.1).

³⁰ See paragraph 23 document CGRFA/MIC-2/04/REP.

³¹ See Rule 5.1a in the Appendix to the document, “*Annotated Draft Financial Rules of the Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture*” (document IT/GB-1/06/4 Add.1).

³² See paragraph 25 of document CGRFA/MIC-2/04/REP.

³³ See Programme Element 2AP03, in document PC 95/3/FC 113/14, *Revised Programme of Work and Budget 2006-07*, in *Table 11*.

- The second session of the Governing Body, to be held back to back with the 11th meeting of the Commission on Genetic Resources for Food and Agriculture in the first half of 2007, and
- A meeting of a permanent technical advisory committee, to be held in the second half of 2006.³⁴

54. The Governing Body is requested to establish a budget for the period July 2006 to December 2007.

55. The Governing Body may wish to decide that activities prioritized under the Core Administrative Budget should be fully funded before activities covered by the Special Fund for voluntary contributions are undertaken.

56. Given that there is, as yet, no Working Capital Reserve, the Governing Body may wish to call upon Contracting Parties to make early payments to the Core Administrative Budget, so that the Treaty can begin to operate effectively.

57. The Governing Body may consider it helpful to establish a small Budget Working Group at the beginning of the session, to prepare a draft budget for consideration by Plenary.

³⁴ See also document IT/GB-1/06/8, “*Possible Establishment of a Permanent Advisory Committee*”.

Appendix 1

**SOURCE AND USE OF MONEYS AND POSSIBLE STRUCTURE FOR THE
BUDGET OF THE GOVERNING BODY³⁵**

REFERENCE IN THE DRAFT FINANCIAL RULES³⁶		POSSIBLE TRUST FUND STRUCTURE
CORE ADMINISTRATIVE BUDGET		
Rule V(a)	The amount provided for the Treaty's Core Administrative Budget in the FAO Regular programme of Work and Budget	
Rule V(b)	Voluntary contributions by Contracting Parties for the purposes of administration and implementation of the Treaty ³⁷	General Trust Fund (including the Working Capital Reserve)
Rule V(g)	The uncommitted balance of voluntary contributions carried forward	
Rule V(h)	Interest derived from the investment of funds held in trust (see also Rule V.8)	
SPECIAL FUNDS		
Rule V(c)	Additional voluntary contributions by Contracting Parties, for agreed purposes ³⁸	Special Trust Fund, or individual Trust Funds
Rule V(d)	Voluntary contributions by states that are not Contracting Parties, NGOs, IGOs or other entities for agreed purposes. ²⁸	
Rule V(e)	Voluntary contributions by Contracting Parties, to support the participation of developing countries. ²⁸	Trust Fund to Support the Participation of Developing Countries
Rule V(f)	Voluntary contributions by states that are not Contracting Parties, NGOs, IGOs or other entities, to support the participation of developing countries. ²⁸	

³⁵ See Table 1 of the document, *Annotated Draft Financial Rules of the Governing Body*, document IT/GB-1/06/4 Add. 1.

³⁶ References to the Rules refers to the "Consolidated text reflecting the comments and suggestions made in reviewing the Draft Financial Rules" contained in Appendix 1 to document IT/GB-1/06/4 Add.1.

³⁷ There are two drafting texts for Rule V.1(b); option 1 foresees voluntary contributions "based on [an] indicative scale of contributions"; option 2 does not foresee such a scale of contributions.

³⁸ Rules V.1(c) and V.1(d), as drafted, also mention support for the participation of developing countries. For the purposes of this table, support for the participation of developing countries is dealt with separately.

Appendix 2

MATRIX FOR ESTABLISHING THE CORE ADMINISTRATIVE BUDGET OF THE INTERNATIONAL TREATY ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE			
	2006	2007	2006/2007
<u>A. Secretariat</u>			
Secretary (D1)	106,500	215,000	321,500
P5	96,000	195,000	291,000
P5	96,000	195,000	291,000
P4	87,000	175,000	262,000
P3	77,000	156,000	233,000
G5	40,500	81,000	121,500
G4	35,000	70,000	105,000
G3	30,500	61,000	91,500
Consultancy (12 person-months per year @ \$13,000 per month)	78,000	160,000	238,000
Sub-total	646,500	1,308,000	1,954,500
<u>B. Meetings</u>			
Governing body (5 days)		715,000	715,000
Technical Advisory Committee (5 days)	180,000	180,000	360,000
Sub-total	180,000	895,000	1,075,000
<u>C. Other Costs</u>			
Duty travel	50,000	100,000	150,000
Publications	25,000	50,000	75,000
Capital costs for equipment	35000		35000
Consumables	3000	6000	9000
Communications	30000	50000	80000
Sub-total	143,000	206,000	349,000
<u>D. General Operating Expenses (8% of A+B+C)</u>			270,280
<u>E. Operating Budget (A+B+C+D)</u>			3,648,780
<u>F. Project Servicing Costs (6% of E less FAO Contribution, given in "Funding the Budget" below)</u>			151,487
<u>G. Total Budget (E+F)</u>			3,800,267
<u>H. Working Capital Reserve</u>			570,040
<u>I. Budget and Working Capital Reserve (G+H)</u>			4,370,307

FUNDING THE BUDGET			
FAO Contribution (PE 2AP03)	374,667	749,333	1,124,000
Amount to be funded by Contracting Parties			3,246,307

Appendix 3

**POSSIBLE SCALE OF CONTRIBUTIONS TO THE BUDGET OF THE
INTERNATIONAL TREATY, BASED ON THE FAO SCALE OF CONTRIBUTIONS,
WITH AN INDICATIVE ASSESSMENT OF CONTRIBUTION BY CONTRACTING
PARTY BASED ON AN ASSUMED BUDGET OF \$4,370,307**

FAO Member Countries with Contracting Parties ³⁹ of the Treaty Highlighted in Bold	FAO Scale of Contributions		FAO Scale of Contributions Adjusted for Contracting Parties to the International Treaty	Possible Contributions by Contracting Party Based on a Budget of \$4,370,307 minus FAO contribution
	All countries	Contracting Parties to the International Treaty		
Afghanistan	0.002			
Albania	0.005			
Algeria	0.078	0.078	0.171	5,538
Angola	0.001	0.001	0.002	71
Antigua and Barbuda	0.003			
Argentina	0.975			
Armenia	0.002			
Australia	1.624	1.624	3.552	115,298
Austria	0.876	0.876	1.916	62,193
Azerbaijan	0.005			
Bahamas	0.013			
Bahrain	0.031			
Bangladesh	0.01	0.01	0.022	710
Barbados	0.01			
Belarus	0.018			
Belgium	1.09			
Belize	0.001			
Benin	0.002	0.002	0.004	142
Bhutan	0.001	0.001	0.002	71
Bolivia	0.009			
Bosnia and Herzegovina	0.003			
Botswana	0.012			
Brazil	1.554			
Bulgaria	0.017	0.017	0.037	1,207
Burkina Faso	0.002			

³⁹ That is, those who deposited their instruments of approval, acceptance, ratification or accession at least ninety days prior to the first session of the Governing Body. In the event of Contracting Parties deciding to adopt an indicative scale of contributions, provision should be made in the Financial Rules for those who become Contracting Parties during a budget period, regarding their obligations for that budget period. No such provision is included in the current draft of the Financial rules, though the document, CGRFA/IC/OWG-1/05/4, *Draft Financial Rules for the Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture* (considered at the Open-Ended Working Group on the Rules of Procedure and the Financial Rules of the Governing Body, Compliance, and the Funding Strategy (Rome, 14–17 December 2005)), proposed the following provision: “Any new contracting Party shall pay a contribution to the administrative budget for the financial period in which the membership becomes effective, such contribution beginning with the quarter in which the membership is acquired.”

FAO Member Countries with Contracting Parties ³⁹ of the Treaty Highlighted in Bold	FAO Scale of Contributions		FAO Scale of Contributions Adjusted for Contracting Parties to the International Treaty	Possible Contributions by Contracting Party Based on a Budget of \$4,370,307 minus FAO contribution
	All countries	Contracting Parties to the International Treaty		
Burundi	0.001			
Cambodia	0.002	0.002	0.004	142
Cameroon	0.008	0.008	0.017	568
Canada	2.869	2.869	6.274	203,688
Cape Verde	0.001			
Central African Republic	0.001	0.001	0.002	71
Chad	0.001	0.001	0.002	71
Chile	0.228			
China	2.094			
Colombia	0.158			
Comoros	0.001			
Congo	0.001	0.001	0.002	71
Congo, Democratic Rep. of	0.003	0.003	0.007	213
Cook Islands	0.001	0.001	0.002	71
Costa Rica	0.031			
Cote d'Ivoire	0.01	0.01	0.022	710
Croatia	0.038			
Cuba	0.044	0.044	0.096	3,124
Cyprus	0.04	0.04	0.087	2,840
Czech Republic	0.187	0.187	0.409	13,276
Democratic People's Republic of Korea	0.01	0.01	0.022	710
Denmark	0.732	0.732	1.601	51,969
Djibouti	0.001			
Dominica	0.001			
Dominican Republic	0.036			
Ecuador	0.019	0.019	0.042	1,349
Egypt	0.122	0.122	0.267	8,662
El Salvador	0.023	0.023	0.050	1,633
Equatorial Guinea	0.002			
Eritrea	0.001	0.001	0.002	71
Estonia	0.012	0.012	0.026	852
Ethiopia	0.004	0.004	0.009	284
Fiji	0.004			
Finland	0.544	0.544	1.190	38,622
France	6.151	6.151	13.452	436,698
Gabon	0.009			
Gambia	0.001			
Georgia	0.003			
Germany	8.835	8.835	19.322	627,253
Ghana	0.004	0.004	0.009	284
Greece	0.541	0.541	1.183	38,409
Grenada	0.001			
Guatemala	0.031	0.031	0.068	2,201

FAO Member Countries with Contracting Parties ³⁹ of the Treaty Highlighted in Bold	FAO Scale of Contributions		FAO Scale of Contributions Adjusted for Contracting Parties to the International Treaty	Possible Contributions by Contracting Party Based on a Budget of \$4,370,307 minus FAO contribution
	All countries	Contracting Parties to the International Treaty		
Guinea	0.003	0.003	0.007	213
Guinea-Bissau	0.001	0.001	0.002	71
Guyana	0.001			
Haiti	0.003			
Honduras	0.005	0.005	0.011	355
Hungary	0.129	0.129	0.282	9,159
Iceland	0.035			
India	0.43	0.43	0.940	30,528
Indonesia	0.145	0.145	0.317	10,294
Iran, Islamic Republic of	0.16			
Iraq	0.016			
Ireland	0.357	0.357	0.781	25,346
Israel	0.476			
Italy	4.983	4.983	10.898	353,775
Jamaica	0.008	0.008	0.017	568
Japan	19.858			
Jordan	0.011	0.011	0.024	781
Kazakhstan	0.026			
Kenya	0.009	0.009	0.020	639
Kiribati	0.001	0.001	0.002	71
Korea, Republic of	1.832			
Kuwait	0.165	0.165	0.361	11,714
Kyrgyz Republic	0.001			
Lao	0.001	0.001	0.002	71
Latvia	0.015	0.015	0.033	1,065
Lebanon	0.025	0.025	0.055	1,775
Lesotho	0.001	0.001	0.002	71
Liberia	0.001	0.001	0.002	71
Libya	0.135	0.135	0.295	9,585
Lithuania	0.025	0.025	0.055	1,775
Luxembourg	0.079	0.079	0.173	5,609
Madagascar	0.003	0.003	0.007	213
Malawi	0.001	0.001	0.002	71
Malaysia	0.207	0.207	0.453	14,696
Maldives	0.001	0.001	0.002	71
Mali	0.002	0.002	0.004	142
Malta	0.014			
Marshall Islands	0.001			
Mauritania	0.001	0.001	0.002	71
Mauritius	0.011	0.011	0.024	781
Mexico	1.921			
Micronesia	0.001			
Moldova	0.001			

FAO Member Countries with Contracting Parties ³⁹ of the Treaty Highlighted in Bold	FAO Scale of Contributions		FAO Scale of Contributions Adjusted for Contracting Parties to the International Treaty	Possible Contributions by Contracting Party Based on a Budget of \$4,370,307 minus FAO contribution
	All countries	Contracting Parties to the International Treaty		
Monaco	0.003			
Mongolia	0.001			
Morocco	0.048			
Mozambique	0.001			
Myanmar	0.01	0.01	0.022	710
Namibia	0.006	0.006	0.013	426
Nauru	0.001			
Nepal	0.004			
Netherlands	1.724	1.724	3.770	122,398
New Zealand	0.226			
Nicaragua	0.001	0.001	0.002	71
Niger	0.001	0.001	0.002	71
Nigeria	0.043			
Niue	0.001			
Norway	0.693	0.693	1.516	49,200
Oman	0.071	0.071	0.155	5,041
Pakistan	0.056	0.056	0.122	3,976
Palau	0.001			
Panama	0.019	0.019	0.042	1,349
Papua New Guinea	0.003			
Paraguay	0.012	0.012	0.026	852
Peru	0.094	0.094	0.206	6,674
Philippines	0.097			
Poland	0.47	0.47	1.028	33,368
Portugal	0.479	0.479	1.048	34,007
Qatar	0.065			
Romania	0.061	0.061	0.133	4,331
Rwanda	0.001			
Saint Kitts and Nevis	0.001			
Saint Lucia	0.002	0.002	0.004	142
Saint Vincent and the Grenadines	0.001			
Samoa	0.001	0.001	0.002	71
San Marino	0.003			
Sao Tome and Principe	0.001			
Saudi Arabia, Kingdom of	0.727	0.727	1.590	51,614
Senegal	0.005			
Serbia and Montenegro	0.019			
Seychelles	0.002			
Sierra Leone	0.001	0.001	0.002	71
Slovakia	0.052			
Slovenia	0.084	0.084	0.184	5,964
Solomon Islands	0.001			
Somalia	0.001			

FAO Member Countries with Contracting Parties ³⁹ of the Treaty Highlighted in Bold	FAO Scale of Contributions		FAO Scale of Contributions Adjusted for Contracting Parties to the International Treaty	Possible Contributions by Contracting Party Based on a Budget of \$4,370,307 minus FAO contribution
	All countries	Contracting Parties to the International Treaty		
South Africa	0.298			
Spain	2.571	2.571	5.623	182,532
Sri Lanka	0.017			
Sudan	0.008	0.008	0.017	568
Suriname	0.001			
Swaziland	0.002			
Sweden	1.018	1.018	2.226	72,274
Switzerland	1.221	1.221	2.670	86,687
Syria	0.039	0.039	0.085	2,769
Tajikistan	0.001			
Tanzania	0.006	0.006	0.013	426
Thailand	0.213			
The Former Yugoslav Republic of Macedonia	0.006			
Timor Leste	0.001			
Togo	0.001			
Tonga	0.001			
Trinidad and Tobago	0.023	0.023	0.050	1,633
Tunisia	0.033	0.033	0.072	2,343
Turkey	0.38			
Turkmenistan	0.005			
Tuvalu	0.001			
Uganda	0.006	0.006	0.013	426
Ukraine	0.04			
United Arab Emirates	0.24	0.24	0.525	17,039
United Kingdom	6.25	6.25	13.669	443,727
United States of America	22			
Uruguay	0.049	0.049	0.107	3,479
Uzbekistan	0.014			
Vanuatu	0.001			
Venezuela	0.174	0.174	0.381	12,353
Viet Nam	0.021			
Yemen	0.006	0.006	0.013	426
Zambia	0.002	0.002	0.004	142
Zimbabwe	0.007	0.007	0.015	497
Amount reserved in FAO Regular Programme				1,124,000
	100.000	45.725	100.000	4,370,307

*Appendix 4***INTERNATIONAL TREATY ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE****DECISIONS TO BE TAKEN AND ISSUES FOR CONSIDERATION BY THE GOVERNING BODY IN ITS INITIAL YEARS**

The Treaty identifies a range of decisions the Governing Body must or should take, and issues it must or should consider, in its initial years. These can be summarised as follows:

Decisions necessary to ensure the operation of the Governing Body

1. adopt rules of procedure⁴⁰;
2. adopt financial rules⁴¹;
3. adopt the budget⁴²;
4. consider and establish such subsidiary bodies as may be necessary, and their respective mandates and composition⁴³;
5. establish an appropriate mechanism for receiving and utilising financial resources accruing to it⁴⁴ and including consideration of split assessment;
6. agree on further interim arrangements for the Secretary of the Governing Body, pending formal appointment;

Decisions to be taken at its First Meeting

7. determine the level, form and manner of the payment [sharing of monetary benefits arising from commercialisation], in line with commercial practice⁴⁵;
8. adopt the funding strategy⁴⁶;
9. consider relevant policy and criteria for specific assistance under the funding strategy⁴⁷;
10. consider and approve cooperative and effective procedures and operational mechanisms to promote compliance with the provisions of the Treaty and to address issues of non-compliance⁴⁸;

Decisions to be taken by its Second Meeting

11. review and amend the MTA currently in use pursuant to agreements between the IARCs and the FAO, for use by IARCs when making available plant genetic resources for food and agriculture other than those listed in Annex I of the Treaty which are held by them and which were collected prior to the entry into force of the Treaty⁴⁹;

Issues to address within two years of the entry into force of the Treaty

12. assess progress in including PGRFA held by natural and legal persons within the jurisdiction of Contracting Parties in the Multilateral System⁵⁰;

⁴⁰ Article 19.7.

⁴¹ Article 19.7.

⁴² Article 19.3d.

⁴³ Article 19.3e.

⁴⁴ Article 19.3f.

⁴⁵ Article 13.2dii.

⁴⁶ Article 19.3c.

⁴⁷ Article 13.4.

⁴⁸ Article 21.

⁴⁹ Article 15.1b and 19.3n.

⁵⁰ Article 11.4.

Issues to address within five years of the entry into force of the Treaty

13. assess whether the mandatory payment [sharing of monetary benefits arising from commercialisation] provided for under Article 13.2dii should also apply in cases where commercialized products are available without restriction to others for further research and breeding⁵¹;

Decisions and issues to address that are not limited in time⁵²

14. consider standards for access to plant genetic resources for food and agriculture in *in situ* conditions⁵³;
15. adopt a standard material transfer agreement⁵⁴;
16. from time to time, review the levels of payment [sharing of monetary benefits arising from commercialisation] established under Article 13.2dii⁵⁵;
17. consider modalities of a strategy of voluntary benefit sharing through contributions by the Food Processing Industries⁵⁶;
18. establish a schedule according to which IARCs shall periodically inform the Governing Body about MTAs entered into⁵⁷;
19. seek to establish agreements for the purposes of Article 15 with relevant international institutions other than IARCs⁵⁸;
20. cooperate with the Commission on Genetic Resources for Food and Agriculture in its periodic reassessment of the state of the world's plant genetic resources for food and agriculture in order to facilitate the updating of the *Global Plan of Action*⁵⁹;
21. establish a target for the funding strategy⁶⁰;
22. consider modalities of a strategy to promote voluntary contributions to the funding strategy⁶¹;
23. adopt plans and programmes for the implementation of the Treaty⁶²;
24. establish and maintain cooperation with other relevant international organisations and treaty bodies⁶³; and
25. approve the terms of agreements with the IARCs and other international institutions under article 15⁶⁴.

⁵¹ Article 13.2dii.

⁵² Listed in the order of the relevant articles.

⁵³ Article 12.3h.

⁵⁴ Article 12.4.

⁵⁵ Article 13.2dii.

⁵⁶ Article 13.6 and 19.3j.

⁵⁷ Article 15.1ai.

⁵⁸ Article 15.5.

⁵⁹ Article 17.3.

⁶⁰ Article 18.3.

⁶¹ Article 18.4f and 19.3j.

⁶² Article 19.3b.

⁶³ Article 19.3g.

⁶⁴ Article 19.3n.

*Appendix 5***I. POSSIBLE ISSUES FOR CONSIDERATION BY THE SECOND SESSION OF THE GOVERNING BODY (2007)***Issues that may be outstanding from the first session of the Governing Body*

Such issues might include:

1. Adoption of procedures and mechanisms to promote compliance and to address issues of non-compliance.
2. Appointment of the Secretary.
3. Implementation of Article 6 of the Treaty.
4. The relationship between the Governing Body and the Global Crop Diversity Trust.
5. The relationship between the Governing Body and the Commission on Genetic Resources for Food and Agriculture.

Decisions required by the Treaty

6. Review and amend the Material Transfer Agreement used by International Agricultural Research Centres when making available plant genetic resources for food and agriculture other than those listed in Annex I of the Treaty which were collected prior to the entry into force of the Treaty.⁶⁵

Other issues on which decisions must be taken

7. Adoption of the Programme of Work and Budget for 2008/2009.

Other possible issues for consideration and reports to be made

8. Establish a schedule according to which the International Agricultural Research Centres of the Consultative Group on International Agricultural Research shall periodically inform the Governing Body about Material Transfer Agreements entered into.⁶⁶
9. Report of any meetings of a Permanent Technical Advisory Committee (if established by the first session of the Governing Body) and consideration of future work.
10. Report on the status of cooperation with other international organizations.

II. POSSIBLE ISSUES FOR CONSIDERATION BY THE THIRD SESSION OF THE GOVERNING BODY (2009)

1. Matters carried forward from the second session of the Governing Body.
2. Adoption of the Programme of Work and Budget for 2010/11.
3. Review the operation of the Funding Strategy.
4. Review the operation of the Standard Material Transfer Agreement.
5. Review Compliance matters.
6. Report of any meetings of a Permanent Technical Advisory Committee (if established by the first session of the Governing Body) and consideration of future work.
7. Review implementation of Articles 5, 7, 8, 9, 12, and 13 of the Treaty.
8. Review of *Annex I* of the Treaty.
9. Report on the supporting components of the Treaty.
10. Report on cooperation with the Global Crop Diversity Trust.

⁶⁵ Article 15.1b and Article 19.3n.

⁶⁶ Article 15.1a(i).

11. Report on cooperation with the Commission on Genetic Resources for Food and Agriculture.
12. Report on the status of cooperation with other international organizations.