


**ITPGR INTERIM COMMITTEE HIGHLIGHTS:
WEDNESDAY, 17 NOVEMBER 2004**

Delegates to the second session of the Commission on Genetic Resources for Food and Agriculture (CGRFA) acting as Interim Committee for the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGR) considered the draft financial rules for the Governing Body and the funding strategy for the Treaty. They also addressed the Global Crop Diversity Trust, and the work programmes and budgets of the Governing Body and the Interim Committee.

A representative of the World Intellectual Property Organization (WIPO) gave an overview of WIPO activities regarding: a policy platform for the protection of traditional knowledge; defensive protection of traditional knowledge; and the impact of intellectual property rights on the availability of genetic materials stored in *ex situ* collections. At the end of the afternoon session, Chair Bryan Harvey (Canada) established an informal group to further discuss the terms of reference for the inter-sessional contact group on the standard Material Transfer Agreement (MTA).

DRAFT FINANCIAL RULES FOR THE GOVERNING BODY

Chair Harvey introduced the draft financial rules for the Governing Body (CGRFA/MIC-2/04/8).

The Netherlands, on behalf of the European Community and its Member States (EU), said that, since the Treaty has been adopted under Article XIV of the FAO Constitution (Conventions and Agreements), the FAO should provide for its core funding, and requested textual amendments in that regard under Rules III (Budget) and V (Provision of Funds). He added that the financial rules should not provide for assessed contributions of Contracting Parties.

RULE I (APPLICABILITY): The EU requested text stating that the FAO financial rules and procedures shall apply *mutatis mutandis* to all matters not specifically dealt with under the financial rules of the Governing Body.

RULE III (BUDGET): Delegates debated the nature and preparation of the budget. ERITREA requested that the draft budget be circulated to Parties not less than 60 days before the session of the Governing Body, with BRAZIL suggesting a period of six weeks.

RULE IV (APPROPRIATIONS): The EU introduced language stating that appropriations from the administrative

budget are made, provided that commitments are covered by related income. ERITREA noted the need to incorporate the authority of the Governing Body for making appropriations, and to transfer any unliquidated prior year obligations against current appropriations.

RULE V (PROVISION OF FUNDS): Delegates discussed the resources of the Treaty. JAPAN, opposed by BRAZIL, proposed deleting a reference to voluntary contributions to support developing country participation in the Governing Body. COLOMBIA suggested that the Governing Body may adopt the indicative scale for Parties' voluntary contributions by consensus or majority vote.

JAPAN requested that specified voluntary contributions by international organizations be subject to an agreement between the contributor and the Secretary, and the approval of the Governing Body. COSTA RICA and MALAYSIA requested reference to ITPGR Article 13.2 (benefit-sharing under the Multilateral System). MALAYSIA also requested reference to ITPGR Article 18.2 (objectives of the funding strategy).

The US, the EU, CANADA and JAPAN opposed text stating that voluntary contributions are adopted by the Governing Body, based on the adjusted scale of contributions adopted by the FAO Conference. The EU suggested that the Governing Body may decide by consensus to acquire other resources, including contributions from Parties, if promotion of full implementation of the Treaty so requires. CANADA added that such contributions also include Parties' voluntary contributions. The EU suggested deleting language stating that expenses borne by FAO shall be determined within the limits of the relevant item of the FAO budget, as approved by the FAO Conference.

The US suggested bracketing language stating that Parties that are not FAO Members shall contribute towards the expenses borne by FAO in a proportionate amount, to be determined by the FAO Director-General. The EU, supported by ERITREA, suggested that those Parties contribute towards the amount reserved for the Treaty in the FAO budget, as determined by the Governing Body.

ADDITIONAL RULES: The US proposed a rule on the entry into force of the rules and amendments upon approval by the Governing Body. JAPAN suggested a rule on the overriding authority of the Treaty in the event of a conflict with the financial rules. In response to an enquiry by CANADA about reimbursing FAO for the administrative and operational support services provided to the Governing Body, a representative of the



FAO Budget Service indicated that funds under the ITPGR are considered FAO Normative Programmes and are subject to a 6% servicing charge.

Chair Harvey said that a document consolidating all views will be circulated.

GLOBAL CROP DIVERSITY TRUST

Amb. Fernando Gerbasi (Venezuela), Chair of the Interim Panel of Eminent Experts of the Global Crop Diversity Trust, presented a report on the activities of the Trust (CGRFA/MIC-2/04/5). He highlighted its entry into force in October 2004 and noted that its aim is to support long-term *ex situ* conservation of crop diversity. He described the mandate and membership of the Interim Panel, and the governing bodies of the Trust, and highlighted approval of five donations, devoted to the rescue of endangered crops. Delegates welcomed the establishment of the Trust and expressed appreciation for the work done. AUSTRALIA, supported by many, suggested encouraging the Interim Panel to continue its work until the Governing Body meets and appoints its members to the Executive Board.

FUNDING STRATEGY FOR THE TREATY

The Secretariat introduced a document on the draft funding strategy for the Treaty (CGRFA/MIC-2/04/4), noting that the strategy is not a fund in itself, and will include both national and international funds, with resources both directly controlled by the Governing Body and outside its control. He stressed that the Global Crop Diversity Trust will operate within the framework of the ITPGR as an essential element of the funding strategy. He invited views for the Governing Body's consideration on, *inter alia*: preparation of a draft strategy; mobilization, holding, use and disbursement of funds; periodic establishment of a target for funding; and policy, priorities and criteria for the overall funding strategy.

MALAYSIA prioritized resource mobilization from international funds and, supported by the EU and the US, proposed that the Secretariat prepare a first draft of the funding strategy for submission to the Governing Body. MALAYSIA also requested that Parties report to the Governing Body on financial measures taken for implementation. Burkina Faso, on behalf of AFRICA, noted that the funds of the Global Crop Diversity Trust will not benefit developing, and in particular African, countries that are initiating development of *ex situ* collections. On resource mobilization, the EU prioritized FAO regular budget and voluntary contributions by Parties over other voluntary contributions and commercial benefit-sharing. He also supported the preparation of documents on the establishment of a trust account under FAO financial rules and, with the US, on the role of the Global Plan of Action (GPA). The US proposed focusing on resources under the direct control of the Governing Body, and the link between commercial benefit-sharing and Rule V (Provision of Funds) of the financial rules under discussion. NORWAY requested that the Secretariat compile information on plans and programmes for developing country farmers, including an assessment of their needs, as well as information on ongoing plans and activities relevant to the ITPGR in bilateral, regional and multilateral cooperation. IRAN requested studies on funding targets and on the relationship of the Governing Body with the Global Crop Diversity Trust. COLOMBIA urged the Secretariat to project costs for ITPGR implementation, including priorities identified under the GPA.

NORWAY underlined the need to compile information on contributions, particularly with regard to funding needs, before the full operation of the Treaty benefit-sharing mechanism. CUBA called for a detailed report on contributions made for country-level activities, noting that funding commitments for GPA implementation were not realized. ANGOLA emphasized the need for a concerted plan for the funding of GPA and Treaty implementation. ERITREA cautioned against expanding the discussion beyond the Treaty scope. BRAZIL, supported by many, called for an open period of time for submission of views on the funding strategy to the Secretariat.

Chair Harvey said a document collecting views will be prepared, for countries' comments and for consideration by the Governing Body.

WORK PROGRAMME AND BUDGET FOR THE INTERIM COMMITTEE

Highlighting the current limited funding and the need for human resources, the Secretariat presented a document on the work programme and budget for the Interim Committee (CGRFA/MIC-2/04/7). He outlined the main components of the budget and reviewed some indicative expenses, such as: 287,000 USD for developing country participation in the first meeting of the Governing Body; 160,000 USD for the meeting of the Expert Group on the MTA; and 500,000 USD for a meeting of the open-ended working group on the rules of procedure.

WORK PROGRAMME AND BUDGET FOR THE GOVERNING BODY

The Secretariat introduced a document on a work programme and budget for the Governing Body (CGRFA/MIC-2/04/6). He requested guidance on: the draft agenda of the first meeting of the Governing Body; the core budget; and the possible establishment of trust funds for supporting activities approved by the Governing Body and not included in the core budget, and for developing country participation. He highlighted that decisions under this item concern the size of the core budget, including staffing of the Secretariat and administrative expenditures. He drew attention to holding annual meetings of the Governing Body for the initial Treaty implementation, and noted the possibility of establishing *ad hoc* subsidiary bodies or a permanent technical advisory committee.

IN THE CORRIDORS

The Interim Committee progressed on the draft financial rules and the funding strategy in Plenary, with pace gained from Tuesday evening's discussion. However, a rather cooperative atmosphere was overshadowed by the mounting intensity of discussions on funding issues, as some delegates noted with concern that lack of adequate funding adumbrates the future of the ITPGR. Noting that the FAO Council is to meet next week to decide on the 2006-2011 medium-term plan, one delegate anticipated that upcoming funding from the FAO budget would still be insufficient to bring forward the implementation of the Treaty. Furthermore, besides the offer by Spain to host the first meeting of the Governing Body, no other country has so far committed to providing voluntary funding. Delegates feared that, if this situation prevails, lack of funds may well jeopardize the possibility of inter-sessional work and decelerate progress, particularly on the draft MTA. And even future annual meetings of the Governing Body will be put at risk.