



The International Treaty

ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE



E

Item 19 of the Provisional Agenda

FOURTH SESSION OF THE GOVERNING BODY

Bali, Indonesia, 14 – 18 March 2011

Work Programme and Budget 2010-11: Financial Report

Note by the Secretary

1. This financial report is presented to the Governing Body in accordance with paragraph 13 of Resolution 1/2009 of the Third Session whereby the Secretary of the International Treaty was requested to “*report on progress on income and expenditures, as well as any adjustments made to the budget in the biennium 2010-11.*”
2. The present document deals with the financial position of the International Treaty in its entirety and has been prepared using the financial data available at 31 December 2010. Any significant financial matters occurring in the first months of 2011 will be reported to the Governing Body at the time of its Fourth Session.
3. Particular emphasis is placed on the Core Administrative Budget as provided for in *Financial Rule III.3a* but summary information is also provided on the donor-supported Funds (the Special Funds for agreed purposes, and the Fund to Support the Participation of Developing Countries), as well as on the Benefit-sharing Fund (for the disbursement of funds resulting from *Articles 13.2d* and *18.4f* of the Treaty).

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I. INTRODUCTION

1. At its Third Session, the Governing Body considered a document, *Programme of Work and Budget 2008-09: Financial Report*.¹ The 2008/2009 Work Programme and Budget was the first to cover a full biennium, and a period during in which all the Treaty's main systems were becoming fully operational. The *Financial Report* was thus of particular interest in giving a picture on the financial situation of the International Treaty.
2. When considering the Financial Report contained in document IT/GB-3/09/20 Rev.1, in Resolution 1/2009, the Governing Body:

“appreciate[d] the Secretary’s efforts to ensure a modern and transparent approach to ... the management of the International Treaty’s financial operations and reporting, and recognize[d] that these efforts will provide financial clarity, facilitate work programming, and increase confidence among Contracting Parties;” and

*“encourage[d] the Secretary to continue the implementation of the transparent approach ... and to report on progress on income and expenditures..”*²
3. The present document reviews the financial position of the Treaty in the current 2010/11 biennium, and is based on financial data available at 31 December 2010. Any significant financial matters that arise in the first months of 2011 will be reported to the Governing Body at the time of its Fourth Session.
4. *Appendix I* provides the diagram on the *Source and Use of Moneys, and Trust Fund Structure*, from the *Financial Rules*.
5. As the Governing Body also expressed “*its concern at the limited level of voluntary contributions by Contracting Parties to the Core Administrative Budget from inception to date*”, the current report pays particular attention to the Core Administrative Budget, as provided for in *Financial Rule III.3a*, which is funded by a contribution from FAO, and the voluntary contributions of Contracting Parties.
6. It is encouraging to note that the level of Contracting Parties’ contributions received during the first eleven months of the biennium has largely exceeded contributions in any previous biennium. Although this report can only cover the first half of the 2010/11 biennium, this appears to augur well for the biennium as a whole, though the Secretary will need to continually monitor the actual state of contributions, and will keep Contracting Parties informed, should this positive trend not continue.
7. This document provides summary financial information on the two donor-supported Special Funds: the Special Funds for Agreed Purposes, and the Special Fund to Support the Participation of Developing Countries.
8. Financial information is also provided on the status of the Benefit-sharing Fund, which was established to receive payments resulting from monetary benefit-sharing, in accordance with the Treaty’s *Article 13.2d*, and voluntary contributions, in accordance with *Article 18.4f*.

¹ IT/GB-3/07/20 Rev.1.

² Resolution 1/2009.

II. THE CORE ADMINISTRATIVE BUDGET

A. The structure of the 2010/11 Core Administrative Budget

9. In accordance with *Financial Rule 3.3a*, the Core Administrative Budget comprises the following parts:

- *The amount provided for the Treaty in the Regular Work Programme and Budget of the FAO [...];*
- *The voluntary contributions of Contracting Parties [...];*
- *The voluntary contributions of States that are not Contracting Parties, of inter-governmental organizations, of non-governmental organizations and other entities [...]; and*
- *funds carried over [...], and miscellaneous income, including interest derived from the investment of funds held in trust [...].*

10. In the current biennium there have been no contributions under the third bullet point, and no balance carried over from the previous biennium.

B. The 2010/11 Core Administrative Budget, as adopted

11. The Core Administrative Budget for the 2010/11 biennium, as adopted by the Governing Body at its Third Session, comprised USD 5,482,833, composed of:

- USD 1,859,000 from FAO³ and
- USD 3,973,833 from Contracting Parties (including USD 350,000 to fund the Working Capital Reserve).
- It also foresaw that, within this sum, Contracting Parties should capitalize a Working Capital Reserve in the biennium, in the sum of USD 350,000.

12. *Appendix 2* provides the 2010/11 budget, as adopted.

C. The amount provided for the Treaty in the Regular Work Programme and Budget of the FAO

13. The actual sum made available to the Treaty, provided in two annual instalments, is approximately USD 1,987,200, that is, some USD 128,200 greater than foreseen. This increase was the result of increased staff costs in the biennium, applied to posts covered from FAO's contribution, since the standard costs of staff increased on average by over 6 % in the current biennium.

D. Contributions from Contracting Parties

14. A call for contributions to the Core Administrative Budget was issued to Contracting Parties in a Circular State Letter of 30 November 2009. A subsequent itemized call for contributions to Contracting Parties (including for constitution of the two reserves: the Working Capital Reserve, and the Third Party Beneficiary Operational Reserves) was issued in early 2010, and formal and informal follow-up actions have been undertaken since then.

15. As at 31 December 2010, 38 of 123 Contracting Parties⁴ had made contributions to the Core Administrative Budget, for a total of USD 2,078,966. During the 2008/09 biennium, 48 Contracting Parties made contributions. This figure represents approximately 52% of contributions foreseen by the approved Core Administrative Budget expected for the 2101/11 biennium. A balance of USD 1,712,925 remains outstanding.

16. *Appendix 3* provides a list of these contributions made to date by Contracting Parties, and contributions to the full 2008/09 budget are given for comparison. Details of contributions

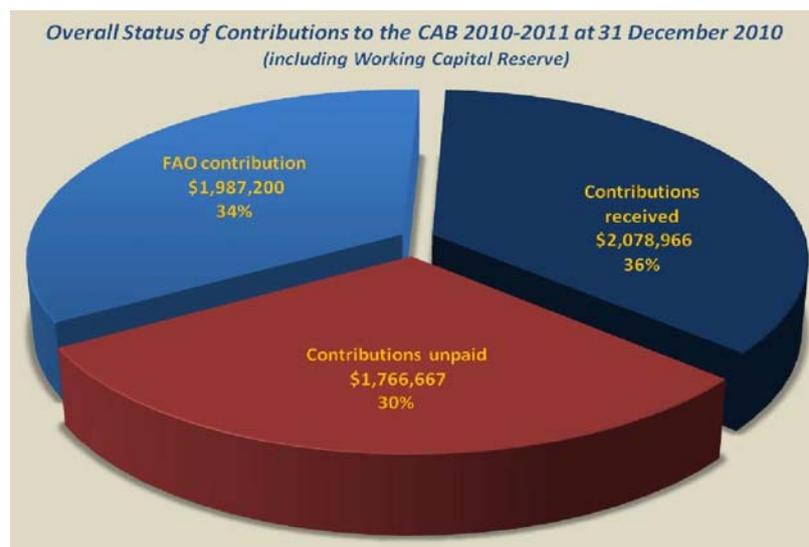
³ Programme Entity RU A04 G101.

⁴ Excluding the European Union and Contracting Parties having acceded to the Treaty during 2010.

received in the period from January to February 2011 will be provided to the Governing Body at the time of its Fourth Session.

17. Until the current biennium is finished, no final assessment can be made of the number of Contracting Parties who have contributed, or the level of their contributions, it being also borne in mind that some Contracting Parties make a single contribution, and others two annual contributions. Of the 48 Contracting Parties who made contributions in the 2008/09 biennium, eighteen of these have not yet made any contribution in this biennium. Of the 38 Contracting Parties who have already made contributions in this biennium, ten did not make any contribution in the 2008/09 biennium.

18. *Appendix 4* provides a breakdown, by region, of Contracting Parties that have contributed to the Core Administrative Budget in the current biennium. *Figure 1* shows the status of the Core Administrative Budget and Working Capital Reserve graphically, at 31 December 2010.



19. As noted in the document, *Financial Rules of the Governing Body - Background Information*,⁵ considered by the Governing Body at its previous session, the practice has been to provide an informal indicative scale to Contracting Parties in the call for contribution, as the question of the question of a possible indicative scale of contributions has not been decided. The document reported that “those Contracting Parties that made contributions to the Core Administrative Budget in response to these calls for funds all did so according to the informal indicative scales that were attached to the Circular State Letters”. As in the previous biennium, with very few exceptions, including because certain Contracting Parties have not made full payment in the current biennium, Contracting Parties that have made payment have done so in accordance with the informal indicative scale.

E. The effects of under-payment and unpredictability of payment

20. The trend of receipt of contributions to the Core Administrative Budget, in the current biennium, has shown a improvement over the pattern in the 2008/09 biennium. Nonetheless, the financial situation of the Treaty has continued to be uncertain, with a direct negative effect on the functioning of the core Treaty systems and activities, and on delivery of the adopted work programme, in particular because no Working Capital Reserve has in fact been capitalized in previous biennia. There is thus no buffer for periods of shortfall, while awaiting contributions. This is of particular importance in view of the limitations imposed by *Financial Rule 4.1* whereby authority is given for the Secretary to incur obligations and make payments, for the purposes for which the appropriations were made in the Core Administrative Budget, and up to the amounts so voted, “provided that commitments shall be covered by related contributions received or funds available in the Working Capital Reserve”. This limitation is of great relevance in the early months of a biennium, when, in the absence of sufficient income, and without funds in the Working Capital Reserve, the Secretary cannot incur commitments. This is highly limiting in

⁵ IT/GB-3/09/5 Add.1.

connection with, for example, human resource contracts, which often cannot be issued for an adequate period or for the period envisaged.

21. For example, as reported in the *Draft Work Programme and Budget for the 2012-13 Biennium*,⁶ “for the year 2010, it was not possible to fill the additional posts foreseen for resource mobilization [in the approved Work Programme and Budget 2010/11]. This was due to the delayed receipt of voluntary contributions from Contracting Parties, which made it impossible to recruit either [of these posts].” Such financial uncertainty has a severely negative impact on the work of the Secretariat.

22. In this connection, it should be recalled that moneys held in the Special Funds for Agreed Purposes are not fungible with the moneys of the Core Administrative Budget and cannot, therefore, be transferred to cover shortfalls or delays in the receipts of contributions. While the moneys in the Core Administrative Budget are contributed by Contracting Parties without earmarking to the agreed biennial Work Programme, the Special Funds are subject to specific agreements made with donors, and may be applied only to the activities foreseen in those agreements, unless otherwise agreed by the donor.

F. Amounts due to the Special Funds carried forward from 2008-09

23. As was reported to the Governing Body at its Third Session, notwithstanding the cancellation of numerous activities, the implementation of a considerable part of the Work Programme, and the maintenance of the Secretariat in the 2008-09 biennium, was only possible thanks to the exceptional supportiveness of those donors that allowed temporary use of part of their contributions to the Special Funds for agreed purposes. The use of moneys from the Special Funds in the 2008/2009 biennium (in the absence of a Working Capital Reserve) for such purposes was an exceptional measure, taken the agreement of the donors, with the intention that they be returned. It is recalled that a large objective of the donations to the Special Funds has been to provide capacity-building for developing countries, in order to assist them to implement the International Treaty and a delay in the application of these resources to the purposes for which they were contributed impacts negatively upon these activities.

24. As reported to the Governing Body, at its Third Session, “it [was] intended that the borrowings from the moneys made available be reimbursed to the Special Funds from the outstanding contributions of Contracting Parties for the 2008-09 biennium.”⁷ As at 15 May 2009, contributions from Contracting Parties to the Core Administrative Budget, amounted to only USD 1,621,390,⁸ against the adopted budget that foresaw contributions from Contracting Parties of USD 3,808,940,⁹ which suggested that substantial further contributions would be forthcoming in the remaining seven months of 2009. However, notwithstanding the clear indication provided to the Governing Body regarding the financial status of the Treaty, further contributions in the biennium amounted to only USD 192,273, for a total of contributions by Contracting Parties at the end of the biennium of USD 1,813,663,¹⁰ or 47.6% only of their expected contributions to the budget as adopted, for a shortfall in absolute terms of USD 2,187,550.

25. This being the case, it was not possible to retire the arrears during the biennium, despite prudent management, including cancellation and postponement of various activities. The borrowing at the end of the biennium totalled USD 824,975, and remains an obligation towards the Special Funds for Agreed Purposes.

26. The itemized call for contributions accordingly informed Contracting Parties of this situation, and invited them, particularly those that had made no payment or only a limited payment to the Core Administrative Budget during the 2008/2009 biennium, to make additional contributions in the current biennium, in order to retire the debt.

27. A small number of Contracting Parties that had not made payment in previous biennia accordingly made payment against these arrears, according to the informal indicative scale for the years in question, and these moneys have been returned to the Special Fund for Agreed Purposes.

⁶ IT/GB-4/11/27.

⁷ IT/GB-3/09/20 Rev. 1.

⁸ IT/GB-3/09/20 Rev. 1, *Appendix 3*.

⁹ IT/GB-3/09/20 Rev. 1, *Appendix 2*.

¹⁰ *Appendix 3* of the present document.

It is to be hoped that further sums are forthcoming with the 2010/2011 biennium, in order to retire all part of the arrears, and credit the Special Fund accordingly.

28. *Appendix 7(a)* provides a picture of the Special Fund. There currently remain no uncommitted resources within the Special Fund. The Secretary is, however, in discussion with possible donors, regarding further possible contributions. The possible use of further contributions, with the agreement of the donors, within the context of the Core Work Programme 2012/13 is discussed in the *Draft Work Programme and Budget for the 2012-13 Biennium*.¹¹

29. It should be noted that, given the uncertainty regarding the rate of retirement of these arrears, no provision has been made for this receivable in *Appendix 7(a)*. Should Contracting Parties make further contributions towards reducing these arrears, and, it is hoped, retire them entirely during this biennium, an amount of approximately USD 730,000 will be returned to the Special Fund for Agreed Purposes, to be utilised in accordance with the agreements with the donors.

G. The Working Capital Reserve

30. Financial Rule 6.4 provides that “*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*”

31. Resolution 1/2009, adopted by the Third Session of the Governing Body, established the level of the Working Capital Reserve at USD 350,000, to be capitalised during the 2010-2011 biennium.

32. In principle, it is only possible to capitalize the Working Capital Reserve when the receipt of contributions exceeds the authorised budget level of expenditure for a given period. The Reserve, of course, is drawn upon to depletion once contributions fall below the authorized budget level. Despite prudent budget management, which included the cancellation and postponement of activities within the adopted Work Programmes, the contributions of Contracting Parties have been insufficient for a Working Capital Reserve to be carried into the next biennium.

33. The increased level of contributions received to date during the 2010/11 has, however, made it possible to initiate funding the Working Capital Reserve, in accordance with Resolution 1/2009. At the date of this report, amounts totalling USD 140,085 had been received from 33 Contracting Parties, leaving a balance of USD 209,915 to be collected.

H. The Third Party Beneficiary Operational Reserve

34. The Governing Body at its Third Session, by Resolution 5/2009, requested that the Secretary of the Governing Body establish the Third Party Beneficiary Operational Reserve, and called for it to be funded by voluntary contributions in an amount commensurate to its needs. In this connection, the *Ad hoc* Third Party Beneficiary Committee at its Second Meeting in March had fixed the initial level of the Operational Reserve at USD 283,280.¹²

35. The itemized call for contributions accordingly requested Contracting Parties to make contributions towards the establishment of the Third Party Beneficiary Operational Reserve. In response, as at 31 December 2010, 37 Contracting Parties had contributed USD 181,943, leaving a balance of USD 101,337 to be funded.

36. *Financial Rule 6.5*, adopted on the establishment of the Operational Reserve as a condition of Resolution 5/2009, requires that contributions be “credited as priority” to this Reserve. Accordingly, should adequate contributions not be received from Contracting Parties to fully constitute the Reserve by the end of the biennium, the necessary balance will be transferred from the Working Capital Reserve to the Third Party Beneficiary Operational Reserve.

¹¹ IT/GB-4/11/27.

¹² IT/TPBC-1/08/2, http://www.planttreaty.org/meetings/tpbc2_en.htm doc.

III. DONOR-SUPPORTED SPECIAL FUNDS

A. *The Special Fund for Agreed Purposes*

37. The balance of the multi-donor Special Fund for Agreed Purposes, carried forward from the 2008/09 biennium, was USD 1,709,305, representing the balance of moneys contributed previously and not yet utilised. During the 2010/11 biennium, further contributions were received from the Governments of Italy, Netherlands and Spain, as set out in *Appendix 6*.

38. The summary financial position of the Special Fund, as at 31 December 2010, is given in *Appendix 7 (a)*. Information is also given on two single-donor Special Projects for Agreed purposes, to which Sweden and Italy have contributed. These are administered as a separate account (“baby projects” in FAO parlance) within the Special Fund for Agreed Purposes.

39. *The Joint Programme on Legal and Technical Assistance to Developing Countries on the Implementation of the Treaty*, funded by the Swedish International Development Cooperation Agency (SIDA) is scheduled for completion at the end of 2010. It provided legal and technical assistance to developing country Contracting Parties, in taking the measures necessary to fulfil their obligations under the Treaty with regard to the Multilateral System of Access and Benefit-sharing, and has proved very useful. The Governing Body, at its Third Session, stressed “*the importance of assisting developing countries in this process bilaterally, or through existing multilateral frameworks such as the Joint FAO/International Treaty Secretariat/Biodiversity International Capacity Building Programme*”.¹³

40. A second baby project was established in 2010 for the administration of funds received from the Government of Italy for use in connection with Help Desk activities relating to the Second Call for Proposals under the Benefit-sharing Fund.

41. In adopting Resolution 1/2009, the Third Session of the Governing Body also adopted the *Addendum to Annex 1, Possible Supporting Activities to be funded by Contracting Parties under the Special Funds for Agreed Purposes*. This Addendum covered activities that Contracting Parties were invited to fund on an extra-budgetary basis, in addition to activities funded by the Core Administrative Budget of the Treaty. These activities can be considered to form a part of the Overall Work Programme, to be implemented subject to adequate funding being available for donors. A summary of those activities that have been carried out, or are in the process of being carried out, is given in *Appendix 8* to this document.

B. *The Special Fund to Support the Participation of Developing Countries*

42. The initial balance carried forward at the beginning of the 2010/11 biennium was USD 897,795. Income to the Fund in the current biennium to date is USD 260,000, comprised exclusively a contribution from the Government of Spain.

43. Summary financial data on this fund is provided in *Appendix 7 (b)*. With a balance at the end of the 2010 in excess of USD 1 million, the Fund can be expected to meet the needs for the current biennium comfortably. However, in view of the financial burden that may result from convening the Fourth Session of the Governing Body, Contracting Parties are invited to make donations to the Fund during the 2010/11 biennium, in order to prevent a shortfall at the end of the biennium.

IV. THE BENEFIT-SHARING FUND

44. The documents, *Report on developments in the implementation of the Funding Strategy*,¹⁴ and *Report on Projects approved in the Project Cycle of the Benefit-sharing Fund in the 2010/2011 biennium*,¹⁵ deal in detail with the activities of the Benefit Sharing Fund.

45. Summary information on voluntary contributions by Contracting Parties to the Benefit-sharing Fund during 2010, pursuant to *Article 19.4f* of the Treaty, are provided in *Appendix 6*, and

¹³ Appendix A.4, Part 1 paragraph 3 of IT/GB-3/09/Report.

¹⁴ IT/GB-4/10/9.

¹⁵ IT/GB-4/10/10.

summary financial position of the Benefit-sharing Fund at 31 December 2010 is given in *Appendix 7 (c)*.

V. CONCLUSIONS

46. During the 2008/09 biennium, the Treaty was obliged to work with significant financial constraints, due to serious under-funding of the Core Administrative Budget. At the end of the biennium, the shortfall was equal to over 50% of what had been budgeted and foreseen. Only through recourse to borrowing from the Special Funds for Agreed Purposes, with the agreement of the donors involved, was the Treaty was able to avoid financial collapse during the biennium.

47. The situation has improved in the current biennium, with a significant increase in the level of contributions to the Core Administrative Budget to date, which, it is hoped, should assure the ability to carry out the bulk of the activities envisaged under the Work Programme 2010/11, provided that contributions continue to be received. At the same time, however, funds available under the Special Funds for Agreed Purposes have been largely depleted, since an important part of the Work Programme 2011 was foreseen to be funded from this source in the budget adopted by the Governing Body at its Third Session. There remain no uncommitted moneys within the Special Fund.

48. As is discussed in the *Draft Work Programme and Budget for the 2012-13 Biennium*,¹⁶ the use of moneys from the Special Fund for Agreed Purposes functioned as a buffer to assure the continuity of the work and functioning of the Treaty in the face of a substantial shortfall in contributions by Contracting Parties to the Core Administrative Budget. However, because of the depletion of these moneys to implement Core Implementing Functions of the Work Programme, the Treaty finds itself in a paradoxical position: even though Core Administrative Budget revenue is improving, the Work Programme is in jeopardy, because there is no longer be this buffer against a shortfall in the Core Administrative Budget.

49. The predictability of payments, and the constitution of an effective Working Capital Reserve, as has often been noted in the past, is essential to ensure continuity in the implementation of the Work Programme. The Core Administrative Budget provides for the Treaty's Maintenance and Core Implementing Functions. It is therefore essential to ensure that a lack of funds in the Core Administrative Budget does not lead to a break-down in the basic operations of the Treaty, and the implementation of its Work Programme. This will only be possible if Contracting Parties make their voluntary contributions in a timely manner and sufficient amount.

50. Nonetheless, the Core Administrative Budget receipts to date in 2010 have been encouraging, and notably higher than in previous biennia. At the end of December, over 52% of the Core Administrative Budget had been received and, with new of some contributions to be made in 2011 already communicated to the Secretariat, it may be possible to constitute the Third Party Beneficiary Operational Reserve and the Working Capital Reserve in the biennium. If further payments towards retiring the borrowing form the Special Fund for Agreed Purposes are received, such moneys will be available, in particular, to provide further much needed technical support to developing country Contracting Parties.

51. However, despite the general improvement in the financial position of the Core Administrative Budget, it must be noted that the number of Contracting Parties who have made contributions to the Treaty is still very limited (less than thirty percent of the full number), and an improvement in these numbers would both increase financial stability, and reiterate the the multi-lateral nature of the Treaty, and its objectives.

52. The Secretary continues a rigorous, systematic and prudent approach to the administration of the Treaty, aimed not only at following up on contributions still to be received, but also at ensuring that Contracting Parties are continually aware of the financial situation of the Treaty and the implications for the implementation of the adopted Work Programme.

¹⁶ IT/GB-4/11/27.

*Appendix I***Source and Use of Moneys, and Trust Fund Structure**

REFERENCE IN RULE V	CORE ADMINISTRATIVE BUDGET	TRUST FUND STRUCTURE RULE VI
Rule V.1a	The amount provided for the Treaty's Core Administrative Budget in the FAO Regular Programme of Work and budget	
Rule V.1b	Voluntary contributions by Contracting Parties for the purposes of administration and implementation of the Treaty in general	GENERAL FUND <i>Income in the biennium</i> Rule VI.2a <i>includes the Working Capital Reserve</i> Rule VI.4 <i>and the</i> <i>Third Party Beneficiary Operational Reserve</i> Rule VI.5
Rule V.1c	Voluntary contributions by states that are not Contracting Parties, from IGOs, or NGOs or other entities, for the administration and implementation of the Treaty in general	
Rule V.1h	The uncommitted balance of voluntary contributions carried forward	
Rule V.1i	Miscellaneous income, including interest derived from investment of the funds in the General Trust Fund	

SPECIAL FUNDS

Rule V.1d	Other voluntary payments by Contracting Parties, for purposes agreed between the contributor and the Secretary	MULTIDONOR FUND <i>where agreed with donor</i> ----- SEPARATE FUNDS <i>where required by donor</i> Rule VI.2b
Rule V.1e	Other voluntary payments by Contracting Parties, by IGOs, or NGOs or other entities for purposes agreed between the contributor and the Secretary	
Rule V.1f	Voluntary payments by Contracting Parties to support the participation of developing countries	FUND TO SUPPORT THE PARTICIPATION OF DEVELOPING COUNTRIES Rule VI.2c
Rule V.1g	Voluntary payments by contributions by states that are not Contracting Parties, from IGOs, or NGOs or other entities, to support the participation of developing countries	

BENEFIT-SHARING IN ACCORDANCE WITH ARTICLE 13.2 OF THE TREATY

Rule V.1j	Mandatory and voluntary contributions pursuant to Article 13.2d	BENEFIT-SHARING FUND Rule VI.3
Rule V.1k	Contributions from international mechanisms, funds and bodies	

Appendix 2

**Core Administrative Budget of the International Treaty
on Plant Genetic Resources for Food and Agriculture**

<i>Category</i>	<i>2010</i>	<i>2011</i>	<i>Total</i>
A. Staff and consultancy costs			
D-1	249,336	249,336	498,672
P-5	217,824	217,824	435,648
P-4 (x2)	379,176	379,176	758,352
P-3 (x3)	462,240	462,240	924,480
G-5	108,456	108,456	216,912
G-4	93,072	93,072	186,144
G-3	81,036	81,036	162,072
Additional staff for the biennium 2010-2011¹⁷			
P5	217,824	217,824	435,648
P3	154,080	154,080	308,160
Consultancy costs	30,000	100,000	130,000
Total A.	1,993,044	2,063,044	4,056,088
B. Meetings			
Fourth Session of the Governing Body	-	500,000	500,000
Bureau meetings	15,000	15,000	30,000
Third Party Beneficiary Committee (1)	7,000	-	7,000
Total B.	22,000	515,000	537,000
C. Other costs			
Core staff duty travel	71,000	69,750	140,750
Publications	36,000	30,750	66,750
Supplies and equipment	24,000	24,000	48,000
Miscellaneous	12,000	10,500	22,500
Total C.	143,000	135,000	278,000
Total A + B + C	2,158,044	2,713,044	4,871,088
D. General Operating Services (4% of A + B + C)	86,322	108,522	194,844
E. Operating Budget	2,244,366	2,821,566	5,065,932
F. Project Servicing Cost (13% of E less FAO contribution)	170,933	245,969	416,901
G. Core Administrative Budget	2,415,298	3,067,534	5,482,833
H. Working Capital Reserve	175,000	175,000	350,000
I. FAO Contribution	(929,500)	(929,500)	(1,859,000)
J. Balance to be funded	1,660,798	2,313,034	3,973,833

¹⁷

For the 2010-2011 biennium only.

Appendix 3

Contributions to the Core Administrative Budget, 2010/2011, at 31 December 2010
(amounts in USD, including amounts credited to the Working Capital Reserve and the Third Party Beneficiary Operational Reserve)

<i>(Contributions in the full 2008/09 biennium are shown for comparison)</i>		
	2008-2009	2010-2011
Afghanistan	79.41	-
Algeria	6,592.00	6,905.00
Angola	229.75	255.00
Australia	106,875.00	144,572.00
Austria	68,648.00	30,984.92
Bangladesh	770.00	-
Brazil	33,875.50	-
Canada	268,986.25	113,546.50
Cyprus	-	3,533.00
Democratic People's Republic of Korea	-	553.00
Denmark	53,724.00	29,876.00
Ecuador	1,617.00	1,703.00
Egypt	11,299.00	6,676.00
Estonia	2,464.00	1,277.00
Ethiopia	-	255.00
Finland	43,626.00	17,777.00
France	75,000.00	200,000.00
Germany	-	333,475.00
Ghana	308.00	-
Greece	-	46,117.00
Guatemala	2,464.00	2,424.00
Guinea	77.00	-
Hungary	-	19,710.00
India	34,800.00	33,976.00
Indonesia	5,285.00	-
Ireland	34,415.00	33,579.00
Italy	393,034.94	356,662.19
Jamaica	3,000.00	809.00
Kenya	745.00	787.00
Laos	77.00	-
Lebanon	2,618.00	-
Lesotho	75.00	-
Lithuania	2,387.00	2,512.00
Luxembourg	6,621.00	-
Madagascar	162.03	-
Namibia	462.00	437.00
Niger	77.17	-
Norway	60,514.00	63,261.00
Pakistan	-	4,234.18
Republic of Korea	-	7,500.00
Romania	5,389.00	5,619.00
Samoa	77.00	-
Saudi Arabia	52,996.00	13,249.00
Seychelles	154.00	-
Spain	260,000.00	260,000.00
Switzerland	94,052.00	91,808.00
Tanzania	914.64	-
The Netherlands	144,965.00	214,343.00
Togo	77.00	117.00
Trinidad & Tobago	2,079.00	2,171.00
Turkey	29,487.00	-
Uganda	201.00	-
United Kingdom	-	209,626.00
Uruguay	2,079.00	-
Yemen	-	539.00
Zambia	285.00	40.00
Total	1,813,663.69	2,260,908.79

Appendix 4

**Contributions by Contracting Parties to the Core Administrative Budget 2010/2011
by Region, as at 31 December 2010**

Region	Contracting Parties that have made contributions	Contracting Parties that have made no contribution		
Africa	Algeria 1/	Benin	Ghana 1/	Niger 1/
	Angola 1/	Burkina Faso	Guinea 1/	Rwanda
	Ethiopia	Burundi	Guinea-Bissau	Sao Tome and Principe
	Kenya 1/	Cameroon	Lesotho 1/	Senegal
	Namibia 1/	Central African Republic	Liberia	Seychelles 1/
	Togo 1/	Chad	Madagascar 1/	Sierra Leone
	Zambia 1/	Congo, Republic of	Malawi	Sudan
		Côte d'Ivoire	Mali	Tunisia
		Democratic Republic of the Congo	Mauritania	Uganda 1/
		Djibouti	Mauritania	United Republic of Tanzania 1/
	Eritrea	Mauritius	Zimbabwe	
	Gabon	Morocco		
Asia	Democratic People's Republic of Korea	Bangladesh 1/	Lao People's Democratic Republic 1/	Nepal
	India 1/	Ehutan	Malaysia	Philippines
	Pakistan	Cambodia	Maldives	
	Republic of Korea	Indonesia 1/	Myanmar	
Europe	Austria 1/	Albania		
	Cyprus	Armenia		
	Denmark 1/	Belgium		
	Estonia 1/	Bulgaria		
	Finland 1/	Croatia		
	France 1/	Czech Republic		
	Germany	Iceland		
	Greece	Latvia		
	Hungary	Luxembourg 1/		
	Ireland 1/	Montenegro		
	Italy 1/	Poland		
	Lithuania 1/	Portugal		
	Netherlands 1/	Slovakia		
	Norway 1/	Slovenia		
	Romania 1/	Sweden		
	Spain 1/	Turkey 1/		
Switzerland 1/				
United Kingdom				
Latin America and the Caribbean	Ecuador 1/	Brazil 1/	Honduras	Peru
	Guatemala 1/	Costa Rica	Nicaragua	Saint Lucia
	Jamaica 1/	Cuba	Panama	Uruguay 1/
	Trinidad and Tobago 1/	El Salvador	Paraguay	Venezuela
Near East	Egypt 1/	Afghanistan 1/	Kyrgyz Republic	Qatar
	Saudi Arabia 1/	Iran, Islamic Republic of	Lebanon 1/	Syrian Arab Republic
	Yemen	Jordan	Libyan Arab Jamahiriya	United Arab Emirates
		Kuwait	Oman	
North America	Canada 1/			
South West Pacific	Australia 1/	Cook Islands	Palau	
		Fiji	Samoa 1/	
		Kiribati		
1/ Contracting Party having made a contribution to the 2008-09 CAB				

Appendix 5

Financial position of the Core Administrative Budget 2010/11

compared to original approved budget

(situation at 31 December 2010, including commitments)

Expenditure category	Approved Budget ¹⁸	Effective Expenditure	Pct of Budget
<i>Human Resources</i>			
Salaries and Consultancy costs	4,056,088	1,618,590	
<i>Sub-total</i>	4,056,088	1,618,590	40%
<i>Meetings</i>			
Fourth Session of the GB	500,000	-	
Bureau Meetings	30,000	30,000	
Third Party Beneficiary Committee	7,000	7,000	
<i>Sub-total</i>	537,000	37,000	7%
<i>Other costs</i>			
Duty travel	140,750	124,020	
Publication, including printing, translation	66,750	56,200	
Supplies and equipment	48,000	25,430	
Miscellaneous	22,500	6,020	
<i>Sub-total</i>	278,000	211,670	76%
<i>General Operating Expenses</i>	194,844	37,330	
<i>Project Servicing Costs</i>	416,901	38,460	
Total	5,482,833	1,943,050	35%

¹⁸ As per IT/GB-3/09/Report , Resolution 1/2009, Appendix A.1, Annex 1

*Appendix 6***Donor Contributions to Donor Supported Trust Funds****1 January 2010 – 31 December 2010**

<u>Trust Fund</u>	<u>Donor</u>	<u>Amount USD</u>
<i>Special Funds for agreed purposes - main project</i>		
	<i>Italy</i>	269,179
	<i>Netherlands</i>	25,000
	<i>Spain</i>	853,964
	<i>Sub-total main project</i>	<i>1,148,143</i>
<i>"Baby account 1 SIDA"</i>	<i>Sweden</i>	66,000
<i>"Baby project 2 Italy"</i>	<i>Italy</i>	134,590
	<i>Total Special Funds for agreed purposes</i>	1,348,733
<i>Participation of Developing Countries</i>		
	<i>Spain</i>	260,000
	<i>Total Participation of Developing Countries</i>	260,000
<i>Benefit Sharing Fund</i>		
	<i>Australia</i>	870,000
	<i>Canada</i>	1,190
	<i>Ireland</i>	659,800
	<i>Italy</i>	436,016
	<i>Norway</i>	101,369
	<i>Spain</i>	2,218,935
	<i>Total Benefit Sharing Fund</i>	4,287,310

Appendix 7

Financial position of the Treaty – Donor Supported Trust Funds

a) Special Funds for Agreed Purposes

(Situation at 31 December 2010)

<i>Special Funds for agreed purposes -Trust Fund MTF/INT/019/MUL (Main project)</i>				
<i>Main Project</i>				
<i>All amounts in USD</i>	<i>2009 Year-end</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
<i>Income (including interest)</i>	<3,698,479>	<1,194,698>		
<i>Expenditure</i>	1,989,444	1,304,752		
<i>Total</i>	<1,709,035>			
<i>Commitments</i>			1,118,981	480,000
<i>Estimated balance</i>				0

<i>Trust Fund MTF/INT/019/MUL (Swedish (SIDA) "Baby Project")</i>			
			<i>Year-end balance 2010</i>
		<66,000>	
<i>Expenditure</i>	679,761	312,080	
<i>Total</i>	<227,239>	246,080	18,841

<i>Trust Fund MTF/INT/019/MUL (Italian "Baby Project")</i>			
			<i>Year-end balance 2010</i>
<i>Income</i>		<134,590>	
<i>Expenditure</i>		34,180	
<i>Total</i>		<100,410>	<100,410>

b) Participation of Developing Countries

(Situation at 31 December 2010, including commitments)

<i>Participation of Developing Countries - Trust Fund MTF/INT/018/MUL</i>			
		<i>2010</i>	
<i>All amounts in USD</i>	<i>2009 Year-end</i>	<i>Actual & commitments</i>	<i>Year-end balance</i>
<i>Income (including interest)</i>	<1,517,442>	<261,889>	
<i>Expenditure</i>	619,627	65,588	
<i>Total</i>	<897,795>	<196,301>	<1,094,096>

c) Benefit Sharing Fund

(Situation at 31 December 2010, including commitments)

<i>Benefit-sharing Fund</i>				
<i>Trust Funds GINC/INT/031/MUL (Income) & GLO/INT/281/MUL (Expenditure)¹⁹</i>				
		<i>2010</i>		
<i>All amounts in USD</i>		<i>2009 Year-end</i>	<i>Actual & commitments</i>	<i>Year-end balance</i>
<i>Income (including interest)</i>	<i>GINC/031</i>	<376,624>	<4,292,899>	
	<i>GLO/281</i>	<581,459>	<524>	
<i>Expenditure</i>	<i>GINC/031</i>	-	-	
	<i>GLO/281</i>	474,014	53,500	
<i>Total</i>	<i>GINC/031</i>	<376,624>	<4,292,899>	<4,669,523>
	<i>GLO/281</i>	<107,445>	52,976	<54,469>

¹⁹ GLO/INT/281/MUL has been opened exclusively as an operational requirement to allow for the disbursement of grants under the Fund for the first round of project cycle of the Benefit Sharing Fund.

Appendix 8

Activities under the Special Funds for Agreed Purposes²⁰

Activity	Status				
	Completed	In Process	Planned	Cancelled	Other
Awareness raising in related policy areas and processes		√			21
Establishing on-line learning courses		√			
Assistance for implementation of Arts 5 and 6				√	
Legal technical assistance for Treaty implementation		√			
Management of the project cycle		√			
Evaluation of the overall programme and operation of the Funding Strategy					22
Special task force on resource mobilization		√			
National and regional case studies and lessons learned on the non commercial benefit sharing provisions of the MLS				√	
Establishment of a MLS Clearing House Mechanism				√	
Joint Capacity Building Programme		√			23
Training on MLS and SMTA operations		√			
Communication campaigns		√			24
Ad hoc technical committee	√ (2 mtgs)				
Multi -Stakeholder platform for MLS users				√	
Ad Hoc Advisory Committee on the Funding Strategy	√ (2 mtgs)				
Meetings of the CBCM			√		
Vision paper and Platform on Art. 17		√			
Ad Hoc Working Group on Compliance	√ (1 mtg)		√ (1 mtg)		
Regional Workshops on Farmers' Rights				√	
High Level Round Table – “Leading the Field”- Rome December 2010	√				

²⁰ Based on *Addendum to Annex 1 of Resolution 1/2009 - “Possible Supporting Activities to be Funded by Contracting Parties under the Special Fund for Agreed Purposes”*.

²¹ Ongoing.

²² Not planned.

²³ No additional funding received in current biennium to continue activity.

²⁴ Ongoing.