



# 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

## Draft Work Programme and Budget for the 2012-13 Biennium

### *Note by the Secretary*

1. This document is presented to the Governing Body in accordance with Resolution 1/2009, paragraph 13, in which the Secretary was requested to prepare and submit the draft Work Programme and Budget for the biennium 2012-2013, including a Secretariat staffing table and a Draft Resolution for consideration by the Governing Body at its Fourth Session
2. The Governing Body is called upon to review the proposals made by the Secretary in the document (with particular reference to *Annexes* 1, 2 and 3) and approve the integration of the activities proposed under Annex 3 into the Core Administrative Budget.
3. The present revised version of the document contains a number of minor updatings and revisions in order to apply the recently published standard FAO methodology and preliminary estimated cost increase levels for 2012-13,<sup>1</sup> which entailed slight adjustments to some of the figures, and in order to update the corresponding textual references in the document.
4. Furthermore, the Governing Body is requested to consider and adopt, subject to those amendments that it may consider appropriate, the Draft Resolution contained in the document, thereby approving and adopting the Work programme for the 2012-13 biennium and the correlated Core Administrative Budget.

For reasons of economy, this document is produced in a limited number of copies. Delegates and observers are kindly requested to bring it to the meetings and to refrain from asking for additional copies, unless strictly indispensable.  
Meeting documents are available on Internet at <http://www.planttreaty.org>

<sup>1</sup> Document FC 137/2.4, available at [http://www.fao.org/fileadmin/user\\_upload/bodies/Fin\\_Comm/Documents\\_FC\\_137/en/FC\\_137-2-4.pdf](http://www.fao.org/fileadmin/user_upload/bodies/Fin_Comm/Documents_FC_137/en/FC_137-2-4.pdf)

---

**TABLE OF CONTENTS**

---

|  | <i>Para.</i> |
|--|--------------|
| I. Introduction  | 1-3          |
| II. Methodology for establishing the Draft Work Programme and Budget 2012/13   | 4-27         |
| III. Maintenance Functions of the Treaty to be funded by the Core Administrative Budget in the 2012/13 biennium      | 28-33        |
| IV. Core Implementing Functions of the Treaty to be funded by the Core Administrative Budget in the 2012/13 biennium | 34-43        |
| V. Resource levels in the Draft Core Administrative Budget 2012/13   | 44-46        |
| VI. Donor-supported projects, in addition to the Core Work Programme   | 47-48        |
| VII. The Working Capital Reserve, and other non-budget moneys  | 49-54        |

Possible elements of Resolution \*\*\*/2011, *Work Programme and Budget 2012/13*

*Annex 1: Consolidated Draft Core Administrative Budget*

*Annex 2: Resource Requirements for the Maintenance Functions*

*Annex 3: Resource Requirements for Core Implementing Functions*

*Annex 4: Assumptions used in estimating the Core Administrative Budget*

## I. INTRODUCTION

1. In adopting its Work programme and Budget for the 2009/10 biennium, the Governing Body,
 

*“Appreciate[d] the Secretary’s efforts to ensure a modern and transparent approach to the establishment of the International Treaty’s biennial Work Programme and Budget, as well as 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”<sup>2</sup>*
2. The Governing Body encouraged the Secretary *“to continue the implementation of the transparent approach in preparing and submitting the draft Work programme and Budget for the biennium 2012-2013, including a Secretariat staffing table and a Draft Resolution for the consideration of the Governing Body at its Fourth Session ...”<sup>3</sup>*
3. In this document the Secretary has therefore applied the same transparent and modern approach that he developed for the Third Session of the Governing Body and updated it to incorporate the rapidly growing needs of the Treaty and the experiences gained in the 2010/11 biennium. The present document contains the draft Work Programme and Budget for the 2012/13 biennium and follows the same methodology by which the previous budget was prepared, and draws upon the decisions and resolutions adopted by the Governing Body, and the experience gained in implementing them and managing the Treaty during the present biennium, as well as feedback from Contracting Parties about their needs in relation to the Treaty. The aim is to:
  - Put the functioning of the Treaty systems on a sustainable financial basis;
  - Provide a lean, prioritized and effective Work Programme, with minimal real increases in budget, while acknowledging the massive growth of the core systems as a reality of the Treaty during this start-up phase;
  - Maintain the transparency of governance of the Treaty, and ensure the effective capacity of the Governing Body to decide on the work programme of the Treaty, and its biennial budget;
  - Make possible a clear comparison of the overall work programme of the 2010/11 biennium with the proposed work programme for 2012/13;
  - Identify clearly the combination of funds that is proposed to sustain the core Treaty operations as the Treaty’s Core Work Programme for 2012/2013.
4. In evaluating the draft Programme of Work and Budget 2012/13, the natural increases in the Core Work Programme of the Treaty, as its various systems are established, and day-to-day maintenance costs incurred, should be taken in account. The natural and successful growth of the Treaty, as it matures and implements the various functions provided for in the Treaty text itself, as well as in the decisions of the Governing Body, means that previous budgetary levels will not suffice for the activities required in the future. Moreover, previous core work programmes were only implementable through the exceptional generosity—over and above their contributions to the Core Administrative Budget—of a very small number of donors, and this is no sustainable long-term solution.

### GROWTH OF TREATY OPERATIONS SINCE 2008

#### I. THE MULTILATERAL SYSTEM OF ACCESS AND BENEFIT-SHARING

##### Operations of the Multilateral System of Access and Benefit-sharing

- In 2008, 9 SMTA reports were received. In 2010/11, over 2000 SMTA reports were received and systematically stored
  - In 2010, the secure Data-storehouse, containing information on all reported SMTAs, was established and will be operational by mid-2011
  - Under SMTAs, in 2008/09 the CGIAR Centres:
    - Distributed: 608,644 samples of *Annex 1* materials,  
5,372 samples of *Article 15.1* materials.

<sup>2</sup> Resolution 1/2009, Paragraph 4. See: IT/GB-3/09/Report.

<sup>3</sup> Resolution 1/2009, Paragraph 13. See: IT/GB-3/09/Report.

- Received: 88% of all materials.
  - Real-time synchronization of the functioning of the CGIAR's SINGER System with the SMTA
  - Global information infrastructure for the Multilateral System created, based on and connected with existing systems. Reporting interfaces for major genebanks, and a stand-alone SMTA preparation and reporting application, at the disposal of any person or institution, are being rolled out in the biennium.
  - Through the *Ad Hoc Committee on the Multilateral System*, many technical and legal questions from users of the Multilateral System have been answered.
  - The Third Party Beneficiary Procedures will be completed with the adoption of draft Mediation Rules at this session
- |   | 2008 | 2009 |
|---|------|------|
| • Contracting parties adopting legal and administrative measures for the Multilateral System: | 0    | 6    |
| • Workshops on the Multilateral System:   | 3    | 15   |

#### Material in the Multilateral System – information available

- 19 countries and one regional institution have formally notified their inclusions
- all International Institutions holding materials in accordance with Treaty *Article 15*, have documented their inclusions: the CGIAR Centre-hosted international collections have documented 693,752 accessions.
- Major genetic resources information systems are integrating the Multilateral System and its Information Technology tools: integration with SINGER and Genesys is now complete.

## II. GROWTH OF THE BENEFIT-SHARING FUND

#### Fundraising for the Treaty and its Fund

|   | 2008        | 2010       | Growth |
|---|-------------|------------|--------|
| Funds raised or committed to BSF (US\$):  | 0,5 million | 14 million | 2700%  |
| Number of Cultivation events  | 0           | 3          |        |
| Number of Donors having invested in the Fund<br>(Expected by end 2011, subject to relevant decisions) | 0           | 6          |        |

#### Additional growth indicators in fundraising:

First gift from a developing country in 2011

Establishment of a fundraising Task Force

Two gifts from interagency organizations totalling more than USD 8 million in process for 2011

#### Growth of Benefit-sharing Fund project operations

|   | Round 1 | Round 2 | Growth   |
|---|---------|---------|----------|
| Projects proposed for funding                                   | 11      | 30–40*  | 173-264% |
| Pre-proposals received:   | 400     | 403     | 1%       |
| Full proposals invited:   | 64      | 137     | 114%     |
| Full proposals received:  | 45      | 125     | 178%     |
| Pre-proposals reviewed (number of pages):                       | 1200    | 1700    | 42%      |
| Full proposals reviewed (number of pages):                      | 270     | 1720    | 537%     |
| Experts evaluating proposals                                    | 8       | 18      | 125%     |
| Workshops for applicants  | 0       | 6       |          |
| Applicants receiving formulation support                        | 11      | 30      | 173%     |
| Partnerships established with major international organizations | 0       | 2       |          |

#### Growth indicators on communication

|   | 2009/GB3 | 2011/GB4     |
|---|----------|--------------|
| Monthly web visitors (av)                               | 2.389    | 5244 (+ 54%) |
| Press releases  | 4        | 6 (+ 33%)    |
| Impact in the media (direct reference to the Treaty)    | 34       | 65 (+ 47%)   |
| Brochures   | 4        | 6 (+ 33%)    |
| Videos  | 1        | 2            |
| Major communication events                              | 1        | 3            |
| Distribution of communication materials in printed form |          | -23%         |

|  |         |        |          |
|--|---------|--------|----------|
| Distribution of communication material online            |         |        | (+ 260%) |
| Bandwidth traffic (av):                                  | 1.76 GB | 3.2 GB | (+ 45%)  |
| Meeting documents for GB3/GB4<br>in different languages  | 186     | 201    | (+ 7 %)  |
| Meeting documents for intersessional meetings in English | 37      | 52     | (+ 28%)  |
| <b>III. TREATY MEMBERSHIP:</b>                           |         |        |          |
|  | 2008    | 2010   | Growth   |
| Number of Contracting Parties:                           | 119     | 127    | 7%       |

5. The above figures show clearly that the Treaty is now coming into full operation. In the last biennium, its activities have, in some core areas (for example, the Benefit-sharing Fund) grown by between 100% and 500/2700%. This is a huge achievement for the entire Treaty community, especially in a time of world financial uncertainty. It is important to emphasize, that, by all principles of sound financial planning, the natural volume of operations that flow directly from the provisions of the Treaty during this phase of initiating and scaling up the Treaty systems cannot be sustained without a corresponding growth in the Work programme and Budget. A failure to provide the minimum resources necessary would put the success of the Treaty's systems at risk. The Treaty is still a young and evolving institution, and cannot be compared to a long-term established institution, with stable needs.

6. It is, at the same time, recognized that the economic downturn in the global economy in the recent years has for many Contracting Parties meant budgetary constraints at national level, which are reflected in their policies regarding their international budgetary obligations, including to Treaties and Conventions. These constraints are real and have to be brought into a balance with the rapidly growing needs of Treaty operations. Given these circumstances, the current proposed Work Programme and Budget has been stripped to the minimum of what is operationally and financially feasible and sustainable, given the provisions of the Treaty, the maturing of its activities, and the past decisions of the Governing Body. There is no fat in it.

7. The unfortunate temporal coincidence of positive growth trends during the Treaty's successful start-up, and financial uncertainty in the global economy, coupled with national budgetary restrictions, will be aggravated in the coming biennium by the depletion of un-programmed donor funds in the Trust Fund for Agreed Purposes. The exceptional generosity of a few donors has in the past provided a buffer for the shortfall in the Core Administrative Budget. This buffer no longer exists.

8. In recognition of the current constraints faced by governments, the proposed budget has been held to a zero real growth level for the Treaty's Maintenance Functions. For the Core Implementing Functions, this has proved impossible, given the growth of Treaty operations. Moreover, the cost of such operations was heavily subsidized by direct donor support during the start-up phase of the Treaty and thus not fully covered in the Core Administrative Budget of previous biennia. Nonetheless, the overall growth in the Core Administrative Budget has been held to a prudent 10% over zero real growth, on the assumption that some further exception donor support for such purposes will be available. Given the real growth of Treaty system operations, which far exceeds 100% in many areas, this minimal real growth in the Core Administrative Budget is required to sustain the maturing Treaty systems.

9. The proposed method of finalizing and adopting the Work Programme and Budget follows that used at the last Session and allows the Governing Body to prioritize and relegate activities, if it so decides, to be proposed to donors for funding of projects.

## II. METHODOLOGY FOR ESTABLISHING THE DRAFT WORK PROGRAMME AND BUDGET 2012/13

### Structure of the Core Work Programme

10. The methodology for establishing the Core Work Programme and Budget begins with the establishment and costing of two separate components, which, when merged, constitute the full draft **Core Work Programme** for the forthcoming biennium, to be adopted in accordance with *Articles 19.3 b and d*. These components relate to:

- The **Maintenance Functions** of the Treaty, and the minimum resources necessary to ensure these. These functions are the activities required in order to maintain the existence of the Treaty as an international

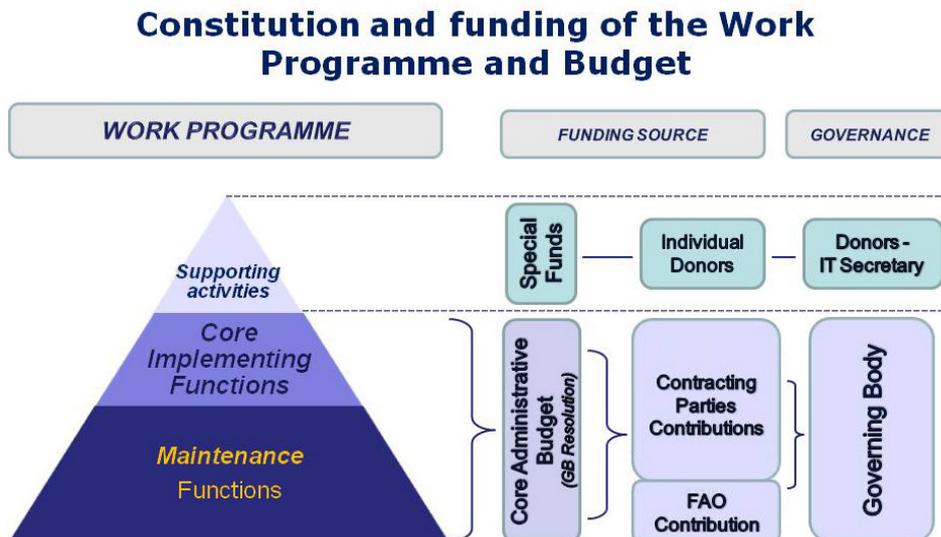
instrument and service its Governing Body and its statutory bodies. These functions derive directly from *Articles 19 and 20* of the Treaty, and past decisions of the Governing Body. They provide for a single biennial meeting of the Governing Body and the approved staffing table of the Secretariat indispensable for the basic functions of meeting preparation, meetings of its statutory bodies, liaison with Contacting Parties, and representation and the minimum cooperation with other institutions. Meetings of *ad hoc* bodies are not budgeted under this component. If the maintenance functions of the Treaty are funded, the statutory subsistence of the Treaty is sustained, but its core systems—particularly the Multilateral System and its Benefit-sharing Fund—are not working. This component is contained in *Annex 2* of this document.

- The **Core Implementing Functions** of the Treaty, that is, the substantive activities to be undertaken to implement the Treaty and its core systems during the biennium. Beyond the Maintenance Functions, resources are required to make and keep the Treaty’s systems and processes operational: the core implementing functions component makes provision for the activities required to carry out the normal functions of the Treaty and its systems, and provides for meetings of *ad hoc* bodies within the biennium, as decided by the Governing Body. Its provisions derive from the inter-session processes during the current biennium, and the draft Resolutions contained in the substantive working document of the session. It should be noted that many of the core implementing functions relate to permanent, continuing activities that arise directly out of the provisions of the Treaty, and prior decisions of the Governing Body: for example, the Multilateral System, by its nature, generates a formidable volume of routine work, to which staff and non-staff resources must be devoted on a predictable and permanent basis, and resources for such work are not contained in the Maintenance Functions component. This component is contained in *Annex 3* of this document.

11. In the reality of operating the Treaty, these two components cannot be functionally split one from another, but form the coherent Core Work Programme to implement the “*plans and programmes for the implementation of this Treaty*” adopted by the Governing Body, in accordance with *Article 19.3b*. *Annexes 2 and 3* are brought together in *Annex 1*.

### Structure of the Draft Budget

12. The figure below illustrates the budget components that provide for the activities in the **Overall Work Programme**, including (a) the Maintenance Functions and Core Implementing Functions, which together form the Core Work Programme, normally funded by the Core Administrative Budget, but exceptionally also partly funded by direct donor support to core activities, and (b) projects for supporting activities in addition to the Core Work Programme, funded by donors.



13. The financial resources required to implement the Core Work Programme are provided from a number of sources, primarily by the Core Administrative Budget, which, in accordance with *Financial Rule 3.3a*, comprises the following parts:

- “the amount provided for the Treaty in the Regular Programme of Work and Budget of the FAO under Rule V.1a;

- “the voluntary contributions of Contracting Parties under Rule V.1b”<sup>4</sup>

14. In the early days of the Treaty, following its entry into force, substantial funds were contributed by a very few donors in the context of *Financial Rule 3.3b*, to the “*Special Funds, relating to additional voluntary contributions by Contracting Parties, under Rule [...]s V.1d*”<sup>5</sup>. These are “to be used in accordance with guidelines established by the Governing Body, or for purposes specified by agreement between the contributor and the Secretary” (*Rule V.1d*).

15. The generosity of these donors made major contributions both to starting up the Treaty’s operational systems and to providing technical assistance to developing country Contracting Parties, in particular to allow them to take the legal and administrative steps necessary to make their plant genetic resources available within the framework of the Multilateral System, as the Treaty provides. Donor funds have also played a crucial role in mobilizing contributions to the Benefit-sharing fund, with the excellent results of which the Governing Body has been informed. In the start-up phase of the Treaty, these donors also exceptionally allowed a portion of these resources to be used in direct support of a number of core implementing functions, with the result that no budgetary provision was made for activities so covered in the 2010/11 Core Administrative Budget.

16. In addition, in the current biennium, a number of essentially core implementing functions—which were originally proposed for funding under the Core Administrative Budget in the Draft Work Programme and Budget 2010/11—are being covered by donor funds. This is because the Budget Committee during the Third Session of the Governing Body advised relegating these activities to donor-funding in the current biennium.

17. Contributions to the Special Funds for Agreed Purposes are separate from, and not fungible with, the contributions of these same donors, as Contracting Parties, to the Core Administrative Budget. If this were the case, these contributions would have been formally given to the Core Administrative Budget, which is not the case. By their nature, they are not funds at the direct disposal of the Governing Body: as the Bureau noted during its meeting in November 2010, the use of donor moneys to support the agreed Work Programme creates a question of governance, since decisions about their availability, timing of provision, and use, are ultimately the prerogative of the donor, whereas the Core Implementing Functions respond to the collective needs and decisions of the Governing Body. It is not possible for the Governing Body to take definitive decisions regarding the use of donor moneys, but only to indicate those activities to which it invites donors to contribute. The decision to contribute, and for which purpose, remains with the donor, and is not predictable. A reliance on donors to provide for Core Implementing Functions is therefore not a long-term solution.

18. Moreover, it may be considered that the use of donor funds for Core Implementing Functions means, in effect, that the majority of Contracting Parties are relying on the exceptional generosity of a very few Contracting Parties to fund the activities that they have commonly decided on, to which those generous Contracting Parties have already contributed in full through their contributions to the Core Administrative Budget.

19. It is crucial to note that, at the time of preparing this document, there remain no donor funds that can be utilised in a similar fashion in the 2012/13 biennium. The Secretary is, however, in discussion with possible donors, to ascertain if they are prepared to provide further funds that may be used in direct support of a number of core implementing functions. He will report to the Governing Body when it meets if any such funds have been secured. Considering the budgetary constraints that many Contracting Parties are facing at national level, he has, for the sake of this budgeting exercise, assumed that a sum of USD 800,000 will become available, in the hope that such a sum will alleviate the financial pressures, and make it possible to sustain the Treaty systems.

20. The proposed consolidated budget covering the Core Work Programme 2012/13 is accordingly constructed as follows:

1. The Maintenance Functions (*Annex 2*), at a cost slightly above Zero Real Growth on the Maintenance Functions in the 2010/11 budget, with an increase due to the Consumer Price Index, factored at

<sup>4</sup> According to *Financial Rule 3.3a*, the Core Administrative Budget can also contain two further parts. As no such funds are available, these are not considered here. These are:

- “the voluntary contributions of States that are not Contracting Parties, of intergovernmental organizations, of non-governmental organizations and other entities, under Rule V.1c; and
- “funds carried over under Rule V.1h, and miscellaneous income, including interest derived from the investment of funds held in trust under Rule V.1i.”

<sup>5</sup> According to *Financial Rule 3.3b*, the Special Funds for Agreed Purposes can also contain “voluntary contributions by States that are not Contracting Parties, by inter-governmental organizations, by non-governmental organizations and other entities”. As no such funds are available, these are not considered here.

4.25%. The proposed the Core Administrative Budget (which includes both FAO's contribution, and the contributions of Contracting Parties) would again fully cover that the Maintenance Functions.

2. The Core Implementing Functions (*Annex 3*), at a cost slightly above the cost of such activities in the present biennium. It is proposed that, on exceptional basis, the majority of these activities be covered by donor contributions, provided that donors come forth.

21. This proposal is critically dependent on donor funds becoming available. If they are not, it is proposed that the Core Work Programme (*Annex 1*) be considered for funding through the Core Administrative Budget. Should the Governing Body not accept this proposal, it is alternatively proposed that activities for which funds are not available be relegated for possible donor funding, under the Special Funds for Agreed Purposes, in which case the Secretariat will formulate projects to support this activities.

22. It should also be noted the current session of the Governing Body is being held in the middle of the ongoing 2010/2011 biennium. This will make it possible for the Secretary to canvas possible donors following the session, before the next biennium begins. However, unless funds are in hand by the end of December 2011, activities foreseen for donor funding will not be implementable on schedule, as part of the Core Work Programme 2012/13.

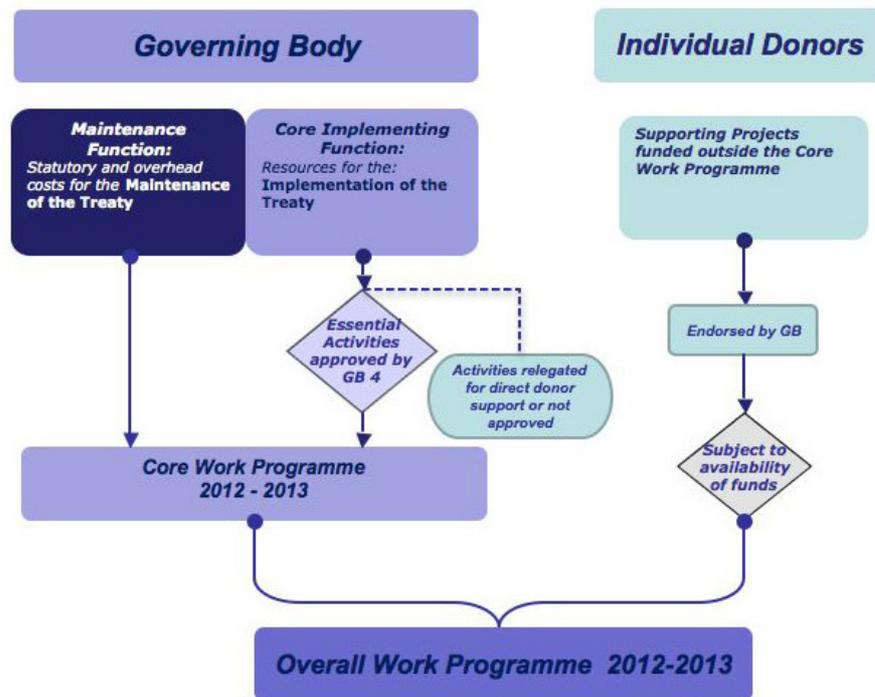
23. It should also be noted that a reliance on donor funds to carry out core implementing functions also creates uncertainties regarding the scheduling of such activities. *Financial Rule 4.2* provides that "*the Secretary may incur obligations and make payments ... for purposes specified by agreement between the contributor and the Secretary, from the date at which the contributions are received*". In other words, though activities funded under the Core Administrative Budget may be initiated once adequate funds have been received from the Contracting Parties generally, donor-funded activities must await the receipt of separate funds from an individual donor, who, for his own budgetary reasons, may not be able to make funds available at a time that fits the Treaty's Work Programme.

#### **Proposed process for the finalizing the Work Programme and Budget 2012/13**

24. The proposed process for finalizing the Work Programme and Budget 2012/13 is based on the process adopted by the Governing Body at its Third Session, which was intended to "*reduce the mismatch between the Core Administrative Budget adopted by the Governing Body and voluntary contributions actually made to it by Contracting Parties, and facilitate, at a minimum, the continued existence of the International Treaty*". It was developed and proposed by the Secretary to enable the Governing Body to guide and resource the further implementation and evolution of the Treaty in a transparent, realistic and predictable manner.

25. As reported in document IT/GB-4/11/26, *Report on progress of Work Programme and Budget 2010/11 biennium*, the actual contributions of Contracting Parties during this biennium have increased, and, by the end of the biennium, these contributions will probably approximate more closely to the budget as adopted. It is to be hoped that this situation improves further in the 2012/13 biennium, reducing the problems and uncertainties that resulted from under-funding in previous biennia. It is nonetheless likely that there will still remain a gap between the expected contributions of Contracting Parties to the Core Administrative Budget, and actual contributions, with inevitable consequences.

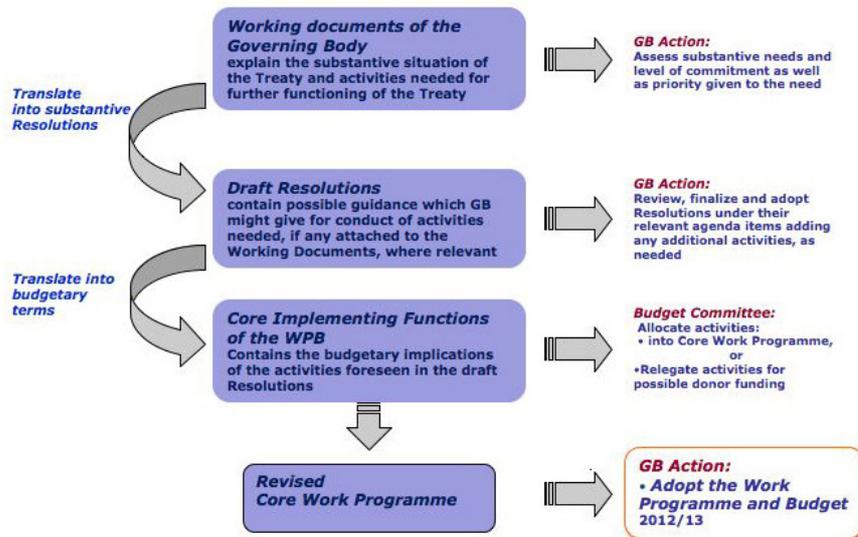
26. As noted above, in this biennium as in the last, it is assumed that further donor moneys will exceptionally be available for direct support Core Implementing Function activities. The Secretary will report to the Governing Body, at the session, on funds that have already been secured. If adequate donor moneys are confirmed, it is proposed to cover the majority of elements of the Core Implementing Functions 2012/13 with them. It would help the deliberations of the Governing Body, if Contracting Parties willing to consider funding such activities, who have not already informed the Secretary, would inform the Governing Body during the session itself.



27. During the session of the Governing Body, the decision-making matrix pictured above will allow the Contracting Parties to guide the further implementation and evolution of the Treaty through the following steps:

- a) The substantive working documents of the Governing Body analyze and describe the status of the Treaty and its systems. The activities recommended for the Core Implementing Functions 2012/13 (*Annex 3*) are reflected in the relevant working documents and the draft Resolutions annexed to them. The proposed Core Implementing Functions in *Annex 3* should therefore be read in conjunction with the substantive analysis and draft Resolutions in the working documents: working documents are indicated for each budget line, in *Annex 3*.
- b) The Governing Body will discuss the working documents in the Plenary under the relevant agenda items, and, as appropriate, add new activities to, or delete proposed activities from, the draft Resolutions.
- d) Following the decisions of the Governing Body, the Core Work Programme will be referred to the Budget Committee, which is invited to go through *Annex 3* (taking into account, as appropriate, *Annex 2*) and, on the basis of the confirmed, actual availability of donor funding, (a) confirm components to be funded as part of the Core Administrative Budget to be proposed to the Governing Body, (b) confirm the core implementing function activities to be funded with guaranteed donor funds (*i.e.*, donor funds already announced), or (c) relegate activities for which such donor funding is not available to be proposed to donors for funding outside the Core Work Programme. Activities relegated in this way will be formulated as projects for donor-funding, and a list of them will be appended to the report of the session.
- g) The Plenary will then be invited to review, finalize and adopt the Core Work Programme and Core Administrative Budget recommended by the Budget Committee, and the lists of projects in direct support of core implementing functions for which donor funding is available, or to be sought.

## The Decision Making Process for the Work Programme



### III. MAINTENANCE FUNCTIONS OF THE TREATY TO BE FUNDED BY THE CORE ADMINISTRATIVE BUDGET IN THE 2012/13 BIENNIUM

#### General considerations

The Budget for the Maintenance Function has been formulated on a Zero Real Growth that is, that is, the same level of funding as in the 2010/11 biennium, adjusted only by the CPI index of 4.25% with adjustment made solely for cost increases to maintain purchasing power. The general assumptions used in the costing of the Maintenance Functions are given in *Annex 4*.

28. The inclusion, within the same budget level, of an additional administrative support post (at a junior general service level), in addition to the meetings of two additional statutory bodies has been possible due to the confirmation of project servicing costs of 6% (due to the administrative support post directly charged to the budget), rather than 13% previously budgeted, and a higher than budgeted contribution by FAO.

#### Human resources

29. This Core Administrative Budget has been prepared in light of the essential functions of the Secretariat and the human and financial resources needed to fulfil those functions<sup>6</sup>. To date, in addition to the Secretary post, the following professional and general service posts have been established, and form the approved Staffing Table of the Secretariat under the CAB.

##### a. Professional:

- D1 - Secretary
- P5 - Multilateral System
- P5 – Resource mobilization<sup>7</sup>
- P4 - Standard Material Transfer Agreement
- P4 - Programme and management
- P3 – Information and Communication
- P3 - Capacity building
- P3 – Multilateral System<sup>8</sup>

<sup>6</sup> Article 19 of the Treaty and *Appendix J* of the Report of the First Session of the Governing Body state that, in implementing the decisions of the Governing Body and its subsidiary bodies, the Secretariat carries out numerous functions: preparing and servicing meetings; liaising with Contracting Parties and the Director General of FAO; cooperating with other organizations and treaty bodies; coordinating work related to the International Treaty with FAO units and other organizations; providing technical support to the International Agricultural Research Centres of the of the Consultative Group on International Agricultural Research in their participation in the Multilateral System; managing the human and financial resources of the Secretariat of the Governing Body.

<sup>7</sup> Initially approved for the 2010/11 biennium; being proposed for reconfirmation in this document.

P3 – Resource mobilization<sup>9</sup>

b. *General Service:*

G5; G4; G3. - Administrative and Secretarial support

This level of human resources was considered to reflect the requirements of the International Treaty, at the time it was endorsed by the Third Session of the Governing Body.

***Confirmation of existing human resources***

30. For the year 2010, it was not possible to fill the additional posts foreseen for resource mobilization. This was due to the delayed receipt of voluntary contributions from Contracting Parties, which made it impossible to recruit either the P3 or the P5. The use of consultancy services instead helped deliver the activity. The P3 level post will be filled for 2011, but it is unlikely that the Secretariat will succeed in recruiting a P5 officer, since a contract of one year or less is unlikely to attract a candidate of suitable calibre. Accordingly, the Secretary requests that the two resource mobilization posts be confirmed for funding under the Core Administrative Budget 2012/13. If adequate funding is to hand, this should enable the Secretariat to attract a suitable candidate for the vitally important P5 post, as contractual duration of two years may attract a suitable applicant.

***Strengthening of the Secretariat***

31. For the forthcoming biennium, the Secretary requests that the staffing structure be strengthened in the administrative area, in order to be in a position to shoulder the increased workload deriving from the rapid expansion of the Treaty and the increased workload in both its current activities and in the implementation of new activities, as described in the Working Documents of the current Session.

32. The current administrative structure is inadequate for the increasing needs of the International Treaty without the continued reliance upon overtime, late working hours and temporary secretarial assistance, which cannot be considered a sustainable solution. An additional clerical staff member at the G3 level (General Service) is considered essential to cover the increased workload. As mentioned previously, the inclusion of this additional post is can be accommodated within a Zero Real Growth budget, because of the reduction in project servicing costs, and no additional financial burden is therefore placed on Contracting Parties.

33. In order to receive, process, store and manage the massive volume of information coming from the Multilateral System, and to establish and maintain the necessary contacts with data providers, the upgrading of capacity in the area of information management will be needed. Consequently, in *Annex 3* (Core Implementing Functions, Maintenance of the Multilateral System) the upgrading of an existing P3 post to P4 level is proposed, to reflect the growing volume and workload of the post in managing this information. This upgrading is also reflected in the table below, under P4 *Information Management and Communication*. The updated Secretariat staffing structure requested for the 2012/13 biennium is accordingly as follows:

c. *Professional*

D1 - Secretary  
 P5 - Multilateral System  
*P5 - Resource Mobilization*  
 P4 - Standard Material Transfer Agreement  
 P4 - Programme and management  
 P4 - Information management and Communication  
 P3 - Multilateral System  
 P3 - Capacity building  
*P3 - Resource Mobilization*

d. *General Service:*

G5 - Administrative clerk  
 G4 - Secretary  
 G3 - Clerk typist  
*G3 - Clerk.*

<sup>8</sup> Due to financial constraints, two posts (P3, (Multilateral System) and P4 (Programme and Management)) were still in the process of being filled, at the time of issuance of the document.

<sup>9</sup> Initially approved for the 2010/11 biennium; being proposed for reconfirmation in this document.

#### IV. CORE IMPLEMENTING FUNCTIONS OF THE TREATY TO BE FUNDED BY THE CORE ADMINISTRATIVE BUDGET IN THE 2012/13 BIENNIUM

34. The elements of the Core Implementing Functions component of the Core Work Programme reflect the fact that the Treaty has grown and its systems have matured. A number of the major fields of activity that derive directly from the provisions of the Treaty now taking substantive shape, and the greatly increased overall level of activities, as the Treaty's systems come into full operation. It seeks to sustain and build on the successes achieved in previous biennia, particularly in the practical operations of the Multilateral System of Access and Benefit-sharing and the Standard Material Transfer Agreement, as well as its Benefit-sharing Fund (*Articles 12 and 13*). It provides for the full participation of the Treaty in the further development of international and national regimes for access and benefit-sharing, now at a critical moment.

35. *Annex 3* of this document accordingly brings together, in a summary form, the proposals for Core Implementing Function activities in the 2012/13 biennium contained in the various working documents. These are identified as Core Implementing Functions because they derive from the structure of the Treaty itself, concentrating on its two main elements: the Multilateral System of Access and Benefit-sharing, and the Funding Strategy, in particular the Benefit-sharing Fund. Many of them, moreover, relate to the ongoing day-to-day management of the Treaty systems, without which the Treaty cannot function, and would fall into chaos. They include, for example, the staff and non-staff resources to manage the rapidly growing body of information reported on Standard Material Transfer Agreements entered into. A further ongoing obligation is the representation of the Treaty in relevant international processes, without which its recognition and status will decline, especially in times of a rapidly changing international legal environment. The natural growth that derives from bringing the systems of the Treaty into sustained implementation automatically implies the need for predictable and sustained funding at an adequate level. The proposed budgeting of the core implementing functions aims at implementing the Treaty at the lowest cost possible, below which its functions will be inoperative or ineffective.

36. In the area of the Multilateral System of Access and Benefit-sharing—the most elaborate and central system of the Treaty—the budget foresees the consolidation and stabilization of core mechanisms and processes, such as: the facilitation of reporting on Standard Material Transfer Agreements, and the processing and systematic storing of data; related dispute resolution procedures, and the provision of legal and technical advice to stakeholders; and support for the development of information systems that document and put information on plant genetic resources in the Multilateral System at the disposal of users. The Core Work Programme also support the organic growth of the System, through the inclusion of additional genetic material by stakeholders, broader use and understanding of the Standard Material Transfer Agreement, increased implementation of the System through national legislation where required, and technical assistance to developing country Contracting Parties to implement the System domestically. The increased functionality and operations of the Multilateral System require an increased capacity of the Secretariat to manage the information and processes involved. For this reason, the current P3 position responsible for processing information and maintaining the information tools of the Multilateral System will need to be upgraded to a P4 level, which is proposed in *Annex 3*, for the consideration of the Governing Body. Since the Multilateral System is expected to continue to require technical and legal support during the biennium, including in replying to questions raised by stakeholders, the continuation of the *Ad Hoc* Advisory Technical Committee on the Multilateral System and the Standard Material Transfer Agreement is reflected for the biennium, for the consideration of the Governing Body.

37. However, recognizing the constraints that numerous Contracting Parties are under, every efforts has been made to reduce the number of *ad hoc* committees to a minimum, with the intention of creating a low-cost budget and a lean and streamlined Work Programme for the biennium. For example, if the Governing Body, as proposed, adopts the *Draft Mediation Rules for the Third Party Beneficiary*, the initial work of the *Ad Hoc* Third Party Beneficiary Committee has been successfully completed, and any further technical matters regarding the Third Party Beneficiary can be referred to other Committees.

38. In the area of the Benefit-sharing Fund, the achievement of the present biennium—both in terms of fund-raising, and in terms of the implementation of the project cycle—has been very substantial. The funds available for projects that directly support users in developing countries in conserving and sustainably using plant genetic resources for food and agriculture have increased ten-fold since the last session of the Governing Body. Innovative and productive partnering with UNDP and IFAD has opened long-term cooperation perspectives. As the volume of resources secured increases, so the resources needed to implement the projects increases. It is necessary to maintain the momentum achieved in resource mobilization, and to deliver the full project cycle of the Fund efficiently and effectively. An efficient partnering approach with relevant institutions, including UNDP, IFAD and the Global Crop Diversity Trust, ensures maximizing synergies in

delivering benefits to countries for the conservation and utilization of plant genetic diversity, at minimal delivery costs. The *Ad Hoc* Advisory Committee on the Funding Strategy has played a pivotal role in this work, and provided critical technical functions in implementing the second round of the project cycle of the Benefit-sharing Fund, including the technical development of the draft Call for Proposals, and the technical pre-screening of pre-proposals. Since the operation of the Fund and its project cycle are not expected to come to a halt during the coming biennium, the continuation of the Committee has been reflected, for the consideration of the Governing Body.

39. Since the Governing Body, at its Second and Third Sessions, stressed that the implementation of *Article 6, Sustainable Use of Plant Genetic Resources*, is a high priority, the possible creation of an *Ad Hoc* Committee on Conservation and Sustainable Use has been reflected, as an option for the Governing Body to consider.

40. While the above processes are reflected in *Annex 3*, because they are considered necessary for the full and effective implementation of the Treaty, it is of course possible for the Governing Body to relegate activities out of *Annex 3*, and request that they be funded by donors as projects, or delete them. Therefore, it is not necessarily the case that the budget for the Core Implementing Functions, as adopted, will be at exactly the amount currently in *Annex 3*.

41. The Treaty has established itself as a concrete and effective pillar of the international architecture governing the conservation and use of genetic resources. This international architecture, however, is in a time of flux, following the adoption in October 2010 of the Nagoya Protocol to the Convention on Biological Diversity, on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization. The Nagoya Protocol recognizes the Treaty as one of the four constituent pillars of the new international regime, and it is now crucial for the future of the Treaty that public space for the Treaty and the agricultural sector in general be consolidated, as countries begin to take legal and administrative measures to implement the Nagoya protocol.

42. A failure to move proactively, to maintain and expand the reach of the Treaty, and to engage with the Nagoya protocol at this crucial moment, could result in the marginalization of the Treaty, and its Multilateral System of Access and Benefit-sharing. The first priority for the Treaty in the coming biennium must therefore be to ensure the space for, and continuing recognition of, the Treaty on the international stage, and the effective implementation of its systems, at national and international level. The secretariat has maintained a constructive and effective working relationship with the Secretariat of the Convention, and important joint activities are programmed for the coming biennium.

43. As the Treaty's core systems are increasingly brought into full function, the Core Implementing Functions component of the Draft Budget makes limited provision for initiating activities to commence the implementation of other strategic areas of the Treaty, for which resources until now have been very limited, and activities minimal, in particular in the areas of sustainable use (*Article 6*), capacity building (*Articles 7 and 13.2c*) and The Global Information System (*Article 17 and 13.2a*). Contracting Parties have on many occasions requested that these areas be given higher priority in the Core Work Programme. Their activation could synergistically increase the benefits of the Treaty to Contracting Parties, and strategically advance the relevance of the Treaty in the international architecture for food security, agro-biodiversity conservation and use, and climate change adaptation.

## V. RESOURCE LEVELS IN THE DRAFT CORE WORK PROGRAMME 2012/13

44. The table below analyses the proposed 2012/13 overall budget for the Core administrative budget, as given in *Annex 1*.

**Column A** provides the actual figures for the 2010/11 budget as adopted, except in the case of the "exceptional donor support" line. The figure given there represents the cost of activities relegated to donor funding, on the recommendation of the Budget Committee. It does not take into account the fact that substantial other donor-support to Core Implementing Function activities was available, and not budgeted.

**Column B** derives from the figures in column A, increased by the increase the Consumer Price Index, of 4.25%. These are purely analytical figures, mechanically derived from the 2010/11 figures.

**Column C** provides the actual figures in the Draft Work Programme and Budget 2012/13. There are two figures in the column that can only be estimated:

- The figure for the FAO contribution is the actual contribution made by FAO to the 2010/11 Budget, and the slight increase over the budgeted amount reflects standard increases on staff costs in the

2010-11 biennium. There is no direct relationship between this figure and the analytical figure in column B. The level of FAO's contribution for 2012-13 will be determined by the FAO Secretariat after the FAO Conference approves the FAO Programme of Work and Budget for 2012-13 in July 2011.

- The figure for direct donor support to Core Implementing Functions is an assumption. The Governing Body will be informed at the session of the situation to be taken into account for budgeting purposes.

**Column D** analyses the part of each contributor in meeting the costs of the Core Work Programme (*i.e.*, their parts in the Core Administrative Budget plus the exceptional donor contribution):

- If the figure given for the FAO contribution is confirmed, FAO would cover 27.98% of the Core Work Programme. It should be recalled that—in a decision, in which all Contracting Parties participated as Member States of FAO—the 2008 FAO Conference decided that “*statutory bodies and conventions will be strengthened, enjoying more financial and administrative authority within the framework of FAO and a greater degree of self-funding by their Members*”. The level of FAO's contribution in forthcoming biennia cannot be assumed.
- The total increase over Zero Real Growth requested as contributions, to be divided among Contracting Parties under this scenario, would represent an increase of only USD 537,834 and Contracting Parties would cover 60.76% of the Core Work Programme.
- An exceptional donor contribution of USD 800,000 would cover 11.26% of the Core Work Programme. This would limit the amount to be asked of other Contracting Parties, in recognition of the budgetary constraints that many other governments are currently experiencing at national level, through the generosity of an individual donor or donors.
- All in all, the proposed increase over Zero Real Growth in the Core Administrative Budget is only USD 587,027, or 10.3%. This amount will be distributed among all 127 Contracting Parties, so each will need to bear only a fraction of this cost. Thus the additional cost for each Contracting Party to benefit from the Treaty that it has joined has been kept to a bare minimum.

|                                   | A                | B                | C                                    | D                        |
|-----------------------------------|------------------|------------------|--------------------------------------|--------------------------|
| Contributions                     | 2010/11          | Zero Real Growth | 2012/13                              | % of Core Work Programme |
| FAO                               | 1,859,000        |                  | 1,987,200                            | 27.98%                   |
| Contracting Parties               | 3,623,883        | 3,777,846        | 4,315,680                            | 60.76%                   |
| Exceptional donor contribution    | 350,000+         |                  | 800,000                              | 11.26%                   |
| <b>Core Administrative Budget</b> | <b>5,482,833</b> | <b>5,715,853</b> | <b>6,302,880</b><br>(10.3% over ZRG) | <b>88.74%</b>            |
| <b>Core Work Programme</b>        |                  |                  | <b>7,102,880</b>                     |                          |

45. The above analysis, and the Secretary's proposed scenario for minimizing cost increases for Contracting Parties, while sustaining the successful growth of the Treaty, is critically dependent on adequate donor support to the Core Work Programme becoming available. In the event that none becomes available, the Core Work Programme would need to be fully covered by the Core Administrative Budget, as indicated in the following table.

|                                   | A                | B                | C                | D        |
|-----------------------------------|------------------|------------------|------------------|----------|
| Contributions                     | 2010/11          | Zero Real Growth | 2012/13          | % of CAB |
| FAO                               | 1,859,000        |                  | 1,987,200        | 27.98%   |
| Contracting Parties               | 3,623,883        | 3,777,846        | 5,115,680        | 72.02%   |
| <b>Core Administrative Budget</b> | <b>5,482,833</b> | <b>5,715,853</b> | <b>7,102,880</b> |          |

46. If adequate exceptional donor support is not, in fact, forthcoming, there would be an increase in the Core Administrative Budget, over Zero Real Growth, of USD 1,387,027. FAO's contribution would remain at USD 1,987,200, the amount provided in 2010-11. The increase of Contracting Parties' contribution would rise to USD 1,337,834 and its share of the cost of the Core Work Programme would be 72.02%. It is worth noting that, even with these increased percentages, the actual additional sum that Contracting Parties would need to cover is only USD 800,000, and that individual Contracting Parties would need only to cover their share of this.

## VI. DONOR-SUPPORTED PROJECTS, IN ADDITION TO THE CORE WORK PROGRAMME

47. In addition to activities decided by the Governing Body as the **Core Work Programme**, the Secretariat also undertakes *donor-supported projects*, in the context for the Special Funds for Agreed Purposes, and as part of the Overall Work Programme. These projects must be distinguished from any donor funds that are exceptionally made available for direct support to Core Implementing Functions in the 2012/13 biennium, and are not fungible with such funds. In order to ensure that the Core Administrative Budget does not subsidize donor-funded projects, to the detriment of the activities of the Core Work Programme, donor-supported projects must each make full provision for the resources necessary to carry them out, and are budgeted separately. Such projects classically provide for technical and policy assistance to developing country Contracting Parties, individual workshops and meetings, fund mobilization, and outreach programmes. To use donor funds to directly support the Core Implementing Functions therefore subtracts them from the funds available for such activities.

48. Document IT/GB-4/11/26, *Report on progress of Work Programme and Budget 2010/11 biennium*, reports on activities carried out with donor funds during the 2010/11 biennium, and outlines a number of projects that donors may now be invited to contribute to. The document invites Governing Body is invited to endorse the projects proposed for donor funding, and to invite donors to contribute to them.

## VII. THE WORKING CAPITAL RESERVE AND OTHER NON-BUDGET MONEYS

49. Capital reserves, as the term implies, are not part of the biennially adopted budget, as they do not relate to elements of the Core Work Programme, but are reserves to be drawn upon, in specific circumstances that cannot be planned for or predicted. The *Financial Rules* make provision for a **Working Capital Reserve** (*Financial Rule 6.4*)”

*“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.”*

50. A reserve for such “continuity of Operations” may be considered to be adequate, if it sufficient to extend the staff by three month, or make possible the convoking of an Special Session of the Treaty, in accordance to *Article 19.10*. The reserve also buffers against currency fluctuations, in a situation where the Core Administrative Budget is denominated in US dollars, and most expenditures made in Euros. A Working Capital Reserve of USD 400,000 is accordingly proposed, equal to 6% of the Core Work Programme, 7% of the Core Administrative Budget, or 6% of Contracting Parties' part of the Core Administrative Budget.

51. The crucial importance of the Working Capital Reserve results from the provisions of *Financial Rule 4.1*, which provides that any commitment or expenditure must be covered by contributions actually in hand, which does not allow the Secretary to assume financial obligations on the basis of the approved Core Administrative Budget. This is unusual in an international organization: if the case of FAO, itself, for example commitments and expenditures may be made against the approved biennial budget.

52. As reported in document IT/GB-4/11/26, *Report on progress of Work Programme and Budget 2010/11 biennium*, it is probably that the Working Capital Reserve will have been partially constituted by the end of the current biennium, and the balance at 31 December 2010 will be called for, in order to complete it. Of course, should funds contributed by Contracting Parties to the Core Administrative Budget not fully cover the activities programmed for the 2012/13 biennium, any funds available in the Working Capital Reserve will be used to make good the shortfall, as provided for by the *Financial Rules*.

53. The failure to fully constitute the Working Capital Reserve, due to a failure of Contracting Parties to cover the budgets that they have adopted, puts the functioning of the Treaty at risk, and makes financial planning exceedingly difficult.

54. As noted in IT/GB-4/11/26, *Report on progress of Work Programme and Budget 2010/11 biennium*, the implementation of a considerable part of the Core Work Programme and the continuance of the Secretariat in the 2008/09 biennium was only possible thanks to the exceptional supportiveness of donors who allowed the temporary use of part of their contributions to the Special Funds for Agreed Purposes to buffer the 50% shortfall in contributions to the Core Administrative Budget. The call for contributions for the 2010/11 therefore requested Contracting Parties—particularly those that had made no or limited payments to the Core Administrative Budget during the 2008-2009 biennium, to make additional contributions in the 2010/11 biennium—to retire this obligation. A number of Contracting Parties have made such contributions, which were returned to the Fund for Special Purposes. It is to be hoped that further such contributions will be forthcoming in 2012: the balance still to be retired at 31 December 2011 will be included in the call for contributions for the biennium 2012/13.

## POSSIBLE ELEMENTS OF A RESOLUTION

### Resolution .../2011 - Work Programme and Budget 2012/13

#### The Governing Body,

##### *Recalling* that:

- a) The FAO Governing Bodies have determined that the International Treaty on Plant Genetic Resources for Food and Agriculture is a priority FAO activity;
- b) That the FAO Conference has recommended that “*statutory bodies and conventions will be strengthened, enjoying more financial and administrative authority within the framework of FAO and a greater degree of self-funding by their Members*”;

##### *Recognizing* that:

- a) The Treaty is at a crucial stage in its implementation, with a number of the major fields of activity that derive directly from the provisions of the Treaty now taking substantive shape;
- b) That the execution of the Work Programme is subject to adequate resources being available within the Core Administrative Budget, and that this will be essential to the future functioning, credibility and effectiveness of the Treaty;

*Reiterating* the importance of the Treaty, as a concrete and effective pillar of the international architecture governing the conservation and use of genetic resources, and of cooperation with the Nagoya Protocol to the Convention on Biological Diversity, on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization, as countries begin to take legal and administrative measures to implement the Nagoya protocol;

- i) *Adopts* the Work Programme and the Treaty’s Core Administrative Budget for the biennium 2012/13, as contained in *Appendix 1* to this resolution;
- ii) *Urges* all Contracting Parties to provide the resources required in the Core Administrative Budget, as adopted;
- iii) *Invites* Governments that are not Contracting Parties, inter-governmental organizations, non-governmental organizations and other entities, to also contribute to the Core Administrative Budget;
- iv) *Takes note* of the provisional proposed contribution from FAO of USD 1,987,200;
- v) [*Warmly thanks* the Governments of \*\*\*, for having exceptionally agreed to allow part of their donor contributions to the Special Funds for Agreed Purposes to be used to directly support the Core Implementing Functions in the 2012/13 biennium;]
- vi) [*Recognizes* that such exceptional contributions are no long-term solution to the budgetary needs of the Treaty;]
- vii) *Approves* the level of the Working Capital Reserve at USD 400,000, with the balance above the actual level of the Working Capital Reserve at 31 December 2011 to be funded in the biennium 2012/13, by separate voluntary contributions from Contracting Parties, in addition to their voluntary contributions to the Core Administrative Budget;
- viii) *Takes note* of the Secretariat staffing structure for the biennium 2012-13 set out in *Annex 2* to this Resolution, recognizing that the precise staffing arrangements are a matter of the normal executive authority of the Secretary;
- ix) *Warmly thanks* the Governments of Italy, Ireland and Spain, who have generously donated substantial funds for additional project activities, outside the Core Administrative Budget, which have assisted the Treaty to establish its operational systems on its entry into force, and to provide support to Contracting Parties that are developing countries in implementing the Treaty’s systems;
- x) *Commends* the project proposals contained in *Annex 3* to this Resolution to donor Governments and institutions, and *invites* them to provide the funding necessary for the implementation of these projects;
- xi) *Confirms* that Contracting Parties that are developing countries and countries with economies in transition should be informed by the Secretary, in a timely manner before a meeting, of the availability of resources to support their participation in that meeting from the Fund referred to in

the Treaty's Financial Rule VI.2c, and that, where such funding is limited, priority should be given to the least developed countries;

- xii) ***Encourages*** the Secretary to continue the implementation of the transparent approach in preparing and submitting the draft Work programme and Budget for the biennium 2014-15, including a Secretariat staffing table and a Draft Resolution, for the consideration of the Governing Body at its Fifth Session, and to report on progress on income and expenditures, as well as any adjustments made to the budget in the biennium 2012/13.

(Adopted on ... March 2011)

**ANNEX 1**  
**PROPOSED CORE WORK PROGRAMME: 2012 - 2013 BIENNIUM**

| <i>Category</i>  | <i>Maintenance Functions</i> | <i>Core Implementing Functions</i> | <i>Core Work Programme</i> |
|--|------------------------------|------------------------------------|----------------------------|
| <i>All amounts in US\$</i>   |                              |                                    |                            |
| <b>A. Human resources</b>  |                              |                                    |                            |
| <i>A.1 Established staff positions</i>   | 3,535,400                    | -                                  | 3,535,400                  |
| <i>A.2 Additional posts approved for 2010-11 biennium (extension requested for the 2012-13 biennium)</i> | 824,260                      | -                                  | 824,260                    |
| <i>A.3 New posts &amp; upgrades proposed for approval</i>  | 173,700                      | 82,570                             | 256,270                    |
| <i>A.4 Consultancy costs</i>   | 135,525                      | 236,960                            | 372,485                    |
| <b>Total A. Human Resources</b>  | <b>4,668,885</b>             | <b>319,530</b>                     | <b>4,988,415</b>           |
| <b>B. Meetings</b>   |                              |                                    |                            |
| <i>Statutory Bodies</i>  |                              |                                    |                            |
| <i>B.1 Governing body</i>  | 521,250                      | -                                  | 521,250                    |
| <i>B.2 Bureau</i>  | 31,275                       | -                                  | 31,275                     |
| <i>B.3 Compliance Committee</i>  | 30,000                       | -                                  | 30,000                     |
| <i>B.4 Panel of Scientific Experts</i>   | 80,000                       | -                                  | 80,000                     |
| <i>Other Meetings</i>  |                              |                                    |                            |
| <i>B.5 Activity related</i>  |                              | 317,630                            | 317,630                    |
| <b>Total B. Meetings</b>   | <b>662,525</b>               | <b>317,630</b>                     | <b>980,155</b>             |
| <b>C. Other costs</b>  |                              |                                    |                            |
| <i>C.1 Core staff duty travel</i>  | 146,730                      | 38,000                             | 184,730                    |
| <i>C.2 Publications and communication</i>  | 69,590                       | 34,940                             | 104,530                    |
| <i>C.3 Supplies and equipment</i>  | 50,040                       | -                                  | 50,040                     |
| <i>C.4 Miscellaneous</i>   | 23,460                       | -                                  | 23,460                     |
| <i>C.5 Contracts</i>   | -                            | 219,920                            | 219,920                    |
| <b>Total C. Other Costs</b>  | <b>289,820</b>               | <b>292,860</b>                     | <b>582,680</b>             |
| <b>Total A + B + C</b>   | <b>5621,230</b>              | <b>930,020</b>                     | <b>6,551,250</b>           |
| <b>D. General Operating Services</b>   | <b>224,850</b>               | <b>37,210</b>                      | <b>262,060</b>             |
| <b>Operating Budget</b>  | <b>5,846,080</b>             | <b>967,230</b>                     | <b>6,813,310</b>           |
| <b>E. Project Servicing Cost</b>   | <b>231,530</b>               | <b>58,040</b>                      | <b>289,570</b>             |
| <b>Total</b>   | <b>6,077,610</b>             | <b>1,025,270</b>                   | <b>7,102,880</b>           |
| <b>Funding of the Proposed Core Work Programme</b>   |                              |                                    |                            |
| <b>Total Core Work Programme</b>   |                              |                                    | <b>7,102,880</b>           |
| <b>Less:</b>   |                              |                                    |                            |
| <b>F. FAO contribution</b>   |                              |                                    | <b>[1,987,200]</b>         |
| <b>G. Exceptional Donor Contribution</b>   |                              |                                    | <b>[800,000]</b>           |
| <b>Net amount to be funded by Contracting Parties</b>  |                              |                                    | <b>4,315,680</b>           |

**ANNEX 2**  
**PROPOSED MAINTENANCE FUNCTIONS: 2012 - 2013 BIENNIUM**

|  | <i>Maintenance Function</i> |
|--|-----------------------------|
| <i>Treaty Articles</i>   | <i>19-20</i>                |
| <i>GB Doc reference</i>  | <i>25, 25 Add.1</i>         |
|  | <i>All amounts in US\$</i>  |
| <b>A. Human resources</b>  |                             |
| <i>A.1 Established staff positions [1]</i>   | 3,535,400                   |
| <i>A.2 Additional posts approved for 2010-11 biennium (extension requested for the 2012-13 biennium)</i> | 824,260                     |
| <i>A.3 New posts &amp; upgrades proposed for approval</i>  | 173,700                     |
| <i>A.4 Consultancy costs</i>   | 135,525                     |
| <b>Total A. Human Resources</b>  | <b>4,668,885</b>            |
| <b>B. Meetings</b>   |                             |
| <i>Statutory Bodies</i>  |                             |
| <i>B.1 Governing body [2]</i>  | 521,250                     |
| <i>B.2 Bureau</i>  | 31,275                      |
| <i>B.3 Compliance Committee [3]</i>  | 30,000                      |
| <i>B.4 Panel of Scientific Experts [4]</i>   | 80,000                      |
| <b>Total B. Meetings</b>   | <b>662,525</b>              |
| <b>C. Other costs</b>  |                             |
| <i>C.1 Core staff duty travel</i>  | 146,730                     |
| <i>C.2 Publications and communication</i>  | 69,590                      |
| <i>C.3 Supplies and equipment</i>  | 50,040                      |
| <i>C.4 Miscellaneous</i>   | 23,460                      |
| <i>C.5 Contracts</i>   | -                           |
| <b>Total C. Other Costs</b>  | <b>289,820</b>              |
| <b>Total A + B + C</b>   | <b>5,621,230</b>            |
| <i>D. General Operating Services (4% of A + B + C)</i>   | 224,850                     |
| <b>Operating Budget</b>  | <b>5,846,080</b>            |
| <i>E. Project Servicing Cost (6% of Operating Budget - excluding FAO contribution)</i>                   | 231,530                     |
| <b>Total</b>   | <b>6,077,610</b>            |
| <b>F.. Less FAO Contribution</b>   | <b>1,987,200†</b>           |
| <b>G. Net Maintenance Functions</b>  | <b>4,090,410</b>            |

*Notes:*

[1] In accordance with approved Secretariat staffing table – Annex 2 of Appendix A (GB Resolution 1/2009) refers

[2] In accordance with Article 19 of The Treaty

[3] In accordance with Article 19.3 & 21 of The Treaty

[4] In accordance with Step 5 of Annex 3 of the Funding Strategy as adopted by GB 2. Meeting of 14 experts for 3 days

† Provisional figure

## ANNEX 3: PROPOSED CORE IMPLEMENTATING FUNCTIONS, 2012/2013 BIENNIUM

|   | <i>Cooperation with<br/>CBD and other<br/>international<br/>organizations</i> | <i>Maintenance<br/>of the MLS</i> | <i>Ad Hoc<br/>Committee<br/>on MLS<br/>and SMTA</i> | <i>Mobilizing<br/>resources for<br/>the BSF</i> | <i>Operations<br/>of the BSF</i> | <i>Ad Hoc<br/>Committee<br/>on the<br/>Funding<br/>Strategy</i> | <i>Ad Hoc<br/>Committee on<br/>Conservation<br/>and Sustainable<br/>Use</i> | <i>Operating<br/>the CBCM</i> | <i>Total Core<br/>Implementation<br/>Functions</i> |
|---|---|-----------------------------------|---|---|----------------------------------|---|---|-------------------------------|--|
| <i>Treaty Articles</i>                                    | <i>all</i>  | <i>10-13</i>                      | <i>10-13</i>  | <i>18.4</i>                                     | <i>18.4</i>                      | <i>18,13</i>  | <i>5,6</i>  | <i>20.5</i>                   |  |
| <i>GB Doc reference</i>                                   | <i>-</i>  | <i>15</i>                         | <i>12</i>   | <i>9</i>  | <i>9 Add.1</i>                   | <i>9</i>  | <i>17</i>   | <i>23</i>                     |  |
| <i>All amounts in USD</i>                                 |   |                                   |   |   |                                  |   |   |                               |  |
| <b>A. Human resources</b>                                 |   |                                   |   |   |                                  |   |   |                               |  |
| <i>A.3 New posts &amp; upgrades proposed for approval</i> | -   | 82,570                            | -   | -   | -                                | -   | -   | -                             | 82,570   |
| <i>A.4 Consultancy costs</i>                              | 25,000  | 95,000                            | 43,000  | 10,000  | 34,960                           | 8,000   | 10,000  | 11,000                        | 236,960  |
| <b>Total A. Human Resources</b>                           | <b>25,000</b>   | <b>177,570</b>                    | <b>43,000</b>                                       | <b>10,000</b>                                   | <b>34,960</b>                    | <b>8,000</b>  | <b>10,000</b>   | <b>11,000</b>                 | <b>319,530</b>                                     |
| <b>B. Meetings</b>  |   |                                   |   |   |                                  |   |   |                               |  |
| <i>Other Meetings</i>                                     |   |                                   |   |   |                                  |   |   |                               |  |
| <i>B.5 Activity related</i>                               | 134,630   | -                                 | 27,000  | 96,000  | -                                | 20,000  | 20,000  | 20,000                        | 317,630  |
| <b>Total B. Meetings</b>                                  | <b>134,630</b>  | <b>-</b>                          | <b>27,000</b>                                       | <b>96,000</b>                                   | <b>-</b>                         | <b>20,000</b>   | <b>20,000</b>   | <b>20,000</b>                 | <b>317,630</b>                                     |
| <b>C. Other costs</b>                                     |   |                                   |   |   |                                  |   |   |                               |  |
| <i>C.1 Core staff duty travel</i>                         | -   | 10,000                            | 10,000  | 14,000  | -                                | -   | 2,000   | 2,000                         | 38,000   |
| <i>C.2 Publications and communication</i>                 | 8,000   | -                                 | -   | -   | 26,940                           | -   | -   | -                             | 34,940   |
| <i>C.3 Supplies and equipment</i>                         | -   | -                                 | -   | -   | -                                | -   | -   | -                             | -  |
| <i>C.4 Miscellaneous</i>                                  | -   | -                                 | -   | -   | -                                | -   | -   | -                             | -  |
| <i>C.5 Contracts</i>                                      | -   | 95,920                            | -   | 97,000  | 27,000                           | -   | -   | -                             | 219,920  |
| <b>Total C. Other Costs</b>                               | <b>8,000</b>  | <b>105,920</b>                    | <b>10,000</b>                                       | <b>111,000</b>                                  | <b>53,940</b>                    | <b>-</b>  | <b>2,000</b>  | <b>2,000</b>                  | <b>292,860</b>                                     |
| <b>Total A + B + C</b>                                    | <b>167,630</b>  | <b>283,490</b>                    | <b>80,000</b>                                       | <b>217,000</b>                                  | <b>88,900</b>                    | <b>28,000</b>   | <b>32,000</b>   | <b>33,000</b>                 | <b>930,020</b>                                     |
| <b>D. General Operating Services (4% of A + B + C)</b>    | <b>6,710</b>  | <b>11,340</b>                     | <b>3,200</b>  | <b>8,680</b>                                    | <b>3,560</b>                     | <b>1,120</b>  | <b>1,280</b>  | <b>1,320</b>                  | <b>37,210</b>                                      |
| <b>Operating Budget</b>                                   | <b>174,340</b>  | <b>294,830</b>                    | <b>83,200</b>                                       | <b>225,680</b>                                  | <b>92,460</b>                    | <b>29,120</b>   | <b>33,280</b>   | <b>34,320</b>                 | <b>967,230</b>                                     |
| <b>E. Project Servicing Cost (6% of Operating Budget)</b> | <b>10,460</b>   | <b>17,690</b>                     | <b>4,990</b>  | <b>13,540</b>                                   | <b>5,550</b>                     | <b>1,750</b>  | <b>2,000</b>  | <b>2,060</b>                  | <b>58,040</b>                                      |
| <b>Total (US\$)</b>                                       | <b>184,800</b>  | <b>312,520</b>                    | <b>88,190</b>                                       | <b>239,220</b>                                  | <b>98,010</b>                    | <b>30,870</b>   | <b>35,280</b>   | <b>36,380</b>                 | <b>1,025,270</b>                                   |

---

**ANNEX 4: ASSUMPTIONS USED IN ESTIMATING THE CORE ADMINISTRATIVE BUDGET**


---

***Inflation and cost increases***

1. The weighted average inflation rate (consumer prices) in Italy, where the Secretariat incurs the greater part of its expenditure in Euros, has been approximately 2 % *per annum* over the 2008-2010 period. On the date the budget was adopted for the 2010/2011 biennium, the US Dollar stood at 1.4177 against the Euro, weakening to its lowest average during November 2009, at around 1.47 to the Euro. The average Dollar/Euro exchange rate over the last 2 years, taking into account the recent strengthening of the US Dollar is 1.36. The current Dollar/Euro rate at the time of the preparation of this draft budget is USD 1.36 = Euro 1.

2. The Maintenance Functions of this proposed budget have been calculated on a Zero Real Growth basis, with a cost increase included only to maintain purchasing power. This increase of 4.25% is based on the cost increases being proposed by the Director General of FAO in the Programme of Work and Budget for that period for the years 2012 and 2013 and is in line with the Consumer Price Index (CPI) of the Economist Intelligence Unit for Italy for that period.

***Human Resources*** **USD 4,668,885**

3. At the time of preparation of this document, the FAO standard costs proposed for the biennium 2012/2013 were not yet available. The increase in standard staff costs between the 2008/09 and 2010/11 biennia was approximately 7 %. If FAO establishes the standard staff costs for the 2012/2013 biennium before the Governing Body meets, *Annexes 1 & 2* will be amended accordingly.

***Meetings*** **USD 665,525**

4. A statutory task of the Secretary and the Secretariat is to provide administrative support for sessions of the Governing Body and its subsidiary bodies, including the preparation of documentation. In the 2012/13 biennium, the proposed meetings of the following subsidiary bodies are provided for in *Annex 2*:

- One Session of the Governing Body;
- One meeting of the Bureau of the Governing Body in each year of the biennium.
- Two meetings of the Compliance Committee (In accordance with Article 19.3 & 21 of The Treaty)
- One meeting of the Panel of Scientific Experts (In accordance with Step 5 of *Annex 3* of the Funding Strategy, as adopted by Governing Body 2at its Second Session (One meeting of 14 experts for 3 days)
- Note: Meetings of the *ad hoc* bodies, proposed to be convened in the 2012/13 biennium, are budgeted for separately, As Core Implementing Functions, in *Annex 3*

***Other costs*** **USD 289,820**

5. This allocation covers costs relating to secretariat travel, publications, equipment and miscellaneous expenditure, and is in line with the allocation approved in the 2010-11 Core Administrative Budget.

***General Operating Expenses*** **USD 224,850**

6. General Operating Expenses represent charges for the full range of support services needed to run the Secretariat offices and related operations, and are calculated at the rate of 4 % of the sum of the costs in the budget annexes. Services used by the Secretariat for which charges are made under this heading include: operation and maintenance of equipment, electricity, insurances, postal and pouch services, other communications services, other operating costs, courier services, telephone costs, facsimile transmission charges.

***Project Servicing Costs*** **USD 231,530**

7. Project Servicing Costs (*PSC*) are charged by FAO to cover the indirect variable administrative and operational costs of servicing Trust Funds. These are services which, because of their nature, cannot readily be charged directly to the Trust Fund, such as: recruitment and servicing of personnel, including

payroll operations; procuring supplies and equipment, formalizing contracts with suppliers; receipt, custody and disbursement of funds, maintenance of project accounts, financial reporting, external and internal audits. The rate currently being charged to the Treaty has been established at 6%, and is applied in the budget annexes. (NB: Project Servicing Costs are not chargeable on the FAO contribution to the Treaty.)

***FAO contribution*** ***USD 1,987,200***

8. The FAO Programme of Work and Budget 2012/13 will be approved by the FAO Conference in June/July 2011. The figure reflected in *Annex 1* is subject to FAO's final decisions on its contribution after the FAO Conference. The FAO contribution to the Core Administrative Budget of the Treaty is accordingly estimated on the basis of the contribution received for the 2010/2011 biennium.