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联合国
粮食及
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Food
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Organisation
des
Nations
Unies
pour
l'alimentation
et
l'agriculture

Organización
de las
Naciones
Unidas
para la
Agricultura
y la
Alimentación

Item 4 of the Draft Provisional Agenda

**COMMISSION ON GENETIC RESOURCES FOR FOOD AND AGRICULTURE
ACTING AS
INTERIM COMMITTEE FOR THE INTERNATIONAL TREATY
ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE**

**Open-Ended Working Group on the Rules of Procedure and the Financial Rules of the
Governing Body, Compliance, and the Funding Strategy**

Rome, 14 – 17 December 2005

**DRAFT FINANCIAL RULES FOR THE GOVERNING BODY OF
THE INTERNATIONAL TREATY ON PLANT GENETIC
RESOURCES FOR FOOD AND AGRICULTURE**

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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.
The documents for this meeting are available on Internet at <http://www.fao.org/ag/cgrfa/ico1.htm>.

INTRODUCTION

1. The Conference at its Thirty-first Session in November 2001 adopted Resolution 3/2001 adopting the International Treaty on Plant Genetic Resources for Food and Agriculture, and mandating interim arrangements for the implementation of the Treaty. As part of these interim arrangements, the Conference requested the Commission acting as Interim Committee for the Treaty to prepare, for consideration at the first session of the Governing Body, draft Financial Rules for the Governing Body.
2. At its second meeting, the Interim Committee considered the document *Draft Financial Rules for the Governing Body of the International Treaty on Plant Genetic Resources*¹ which included provisions that brings the draft Financial Rules more into line with the Financial Regulations adopted or being considered by other international conventions. The Interim Committee made amendments to the draft Financial Rules for the Governing Body and decided that the revised rules² should be forwarded to an Open-Ended Working Group prior to being submitted to the Governing Body, for consideration at its First Session.
3. The Draft Financial Rules as revised by the Interim Committee are set out in the *Appendix* to this document.
4. The Open-Ended Working Group is invited to review the attached draft Financial Rules of the Governing Body of the Treaty with a view to recommending their consideration by the Governing Body at its first Session as requested by the Conference and decided by the Interim Committee.

¹ CGRFA/MIC-2/04/8.

² Appendix E of Document CGRFA/MIC-2/04/REP.

APPENDIX

**[GOVERNING BODY FOR THE INTERNATIONAL TREATY ON PLANT GENETIC
RESOURCES FOR FOOD AND AGRICULTURE**

DRAFT FINANCIAL RULES

Rule I

Applicability

- 1.1 These rules shall govern the financial administration of the Treaty.
- 1.2 The financial rules and procedures of the FAO shall apply *mutatis mutandis* to [all matters not specifically dealt with under the present rules]/[the activities of the Treaty unless otherwise provided].

Rule II

The Financial Period

- 2.1 The financial period shall be [two]/[one] calendar year[s], coinciding with the financial period of FAO.

Rule III

The Budget

- 3.1 The Budget shall cover income and expenditures for the financial period to which it relates, and shall be presented in United States dollars.
- 3.2 The Budget shall include the programme of work for the financial period, and such information, annexes or explanatory statements as may be requested by the Governing Body.
- 3.3 The Budget shall comprise:
- a) [The Administrative Budget, relating to the contributions of Contracting Parties under Rule V.1(a) and other contributions made to the Administrative Budget under Rule V.1 (b) and (c), as well as contributions from FAO under Rule V.1 (f)];

OR

[The Administrative Budget, relating to the amount reserved for the Treaty under Rule V.1(a) and contributions made to the Administrative Budget under Rule V.1 (b) and (c)];

- b) The Special [Budget]/[Fund], relating to other funds made available during the financial period from contributions paid under Rule V.1 (b) and (c).

3.4 The draft Budget shall be prepared by the Secretary and shall be circulated to Contracting Parties not less than [sixty days]/[six weeks] before a regular session of the Governing Body.

3.5 The Administrative Budget for the financial period shall consist of:

- a) Provisions for Administrative Expenditures under the Treaty including expenses of the Secretariat; and
- b) Contingencies.

3.6 The Secretary may make transfers within each of the main appropriation lines of the approved Administrative Budget. The Secretary may also make transfers between such appropriation lines up to limits that the Governing Body may set as appropriate.

3.7 The Special [Budget]/[Fund] shall be disbursed for the purposes specified in the contributions made under Rule V.1 (b) and (c);

Rule IV Appropriations

4.1 After the Administrative Budget has been adopted, the appropriations therein will be the authority for the [Secretary]/[Governing Body] to incur obligations and make payments for the purposes for which the appropriations were voted and up to the amounts so voted, provided that commitments shall be covered by related income.

4.2 Any unliquidated prior year obligation shall at the end of the financial period be cancelled or where an obligation remains a valid charge, [retained for future disbursement]/[transferred against current appropriations].

Rule V Provision of Funds

[5.1 The resources of the Treaty shall comprise:

- a) Voluntary contributions from Contracting Parties based on such indicative scale of contributions as shall be adopted by the Governing Body by consensus, based on the scale of contributions adopted from time to time by the Conference of FAO adjusted so as to ensure that no Contracting Party contributes less than 0.01 per cent of the total, that no one contribution exceeds 25 per cent of the total and that

- no contribution from a least developed country Contracting Party exceeds 0.01 per cent of the total;
- b) Voluntary contributions made by the Contracting Parties in addition to those under (a) above for the purposes specified by agreement between the contributor and the Secretary;
 - c) Other voluntary contributions made by non-Contracting Parties, non-governmental organizations or other entities for the purposes specified by agreement between the contributor and the Secretary, including contributions to support the participation of representatives of developing country Contracting Parties and of Contracting Parties with economies in transition in the Governing Body and its subsidiary bodies;
 - d) The uncommitted balance of appropriations from previous financial periods carried forward;
 - e) Miscellaneous income attributed to the fund concerned; and
 - f) The amount effectively contributed by FAO in respect of the expenses to be borne by it.]

THE FOLLOWING SUB-PARAGRAPHS ARE ALTERNATIVES, OR ADDITIONS TO THE ABOVE TEXT

- g) Voluntary contributions from Contracting Parties ;
 - a) Voluntary contributions from Contracting Parties based on such indicative scale of contributions as shall be adopted by the Governing Body by [consensus]/[majority decision];
 - b) Voluntary contributions made by the Contracting Parties;
 - c) Other voluntary contributions made by non-Contracting Parties, non-governmental organizations or other entities, to support the participation of representatives of developing country;
- new) The income deriving from the implementation of Article 13.2d of the Treaty;
- new) Mandatory and voluntary contributions pursuant to Article 13.2d;
- new) Predictable and agreed contributions from relevant international mechanisms, funds and bodies for the implementation of the plans and programmes of the Treaty, pursuant to Article 18.4.

THE FOLLOWING ARE ALTERNATIVES TO THE WHOLE OF RULE 5.1

[5.1 The resources of the Treaty shall comprise:

- h) Voluntary contributions from Contracting Parties for the purposes of administration and implementation of the Treaty in general;
- i) Voluntary contributions made by the Contracting Parties in addition to those under (a) above for the purposes specified by agreement between the contributor and the Secretary;

- j) Other voluntary contributions made by international organizations or other entities for the purposes of administration and implementation of the Treaty in general, or subject to approval by the Governing Body, the purposes specified by agreement between the contributor and the Secretary;
- k) The uncommitted balance of appropriations from previous financial periods carried forward;
- l) Miscellaneous income attributed to the fund concerned; and
- m) The amount effectively contributed by FAO, including the expenses to be borne by it.]

OR

[5.1 The resources of the Treaty shall comprise:

- n) The amount reserved for the Treaty in the budget of the FAO;
- o) Voluntary contributions made by the Contracting Parties, the purposes of which may be specified by agreement between the contributor and the Secretary;
- p) Other voluntary contributions made by non-Contracting Parties, non-governmental organizations or other entities, the purposes of which may be specified by agreement between the contributor and the Secretary, including contributions to support the participation of representatives of developing country Contracting Parties and of Contracting Parties with economies in transition in the Governing Body and its subsidiary bodies;
- q) The uncommitted balance of appropriations from previous financial periods carried forward; and
- r) Miscellaneous income attributed to the fund concerned.]

OR

[5.1 The resources of the Treaty shall comprise:

- s) Voluntary contributions from Contracting Parties based on such indicative scale of contributions as shall be adopted by the Governing Body by consensus, based on the scale of contributions adopted from time to time by the Conference of FAO adjusted so as to ensure that no developing country Contracting Party shall be required to pay more than any developed country Contracting Party;
- t) Voluntary contributions made by the Contracting Parties in addition to those under (a) above;
- u) Other voluntary contributions made by non-Contracting Parties, non-governmental organizations or other entities, including contributions to support the participation of representatives of developing country Contracting Parties and of Contracting Parties with economies in transition in the Governing Body and its subsidiary bodies;
- v) The uncommitted balance of appropriations from previous financial periods carried forward;
- w) Miscellaneous income attributed to the fund concerned; and
- x) The amount effectively contributed by FAO in respect of the expenses to be borne by it.]

[5.1 bis An agreement may be signed by the Contributor and the FAO to determine the purposes for which the funds or contributions mentioned in rule 5.1b [and c] shall be used.]

[5.2 The Governing Body shall, in adopting the indicative scale of contributions referred to in paragraph 1, make adjustments to take into account the difference of membership in the Treaty and in FAO.]

OR

[5.2 When the promotion of the full implementation of the Treaty so requires, the Governing Body may decide, by consensus, to acquire other resources, including [other voluntary] contributions from Contracting Parties.]

[5.3 In respect of contributions made pursuant to Rule V.1 (a):

- y) Contributions for each calendar year are expected on or before 1 January of that year;
- z) Each Party shall, as far in advance as possible of the date due for the contribution, inform the Secretary of the contribution it intends to make and of the projected timing of that contribution;
- aa) Any new contracting Party shall pay a contribution to the administrative budget for the financial period in which the membership becomes effective, such contribution beginning with the quarter in which the membership is acquired.]

OR

[5.3 In respect of contributions made pursuant to Rule V.1 (a):

- bb) Contributions for each calendar year are expected on or before 1 January of that year;
- cc) Each Party shall, as far in advance as possible of the date due for the contribution, inform the Secretary of the contribution it intends to make and of the projected timing of that contribution.]

[5.4 Expenses borne by FAO shall be determined within the limits of the relevant item of the budget of FAO as approved by the Conference.]

[5.5 Contracting Parties that are not Members of FAO shall contribute towards the expenses borne by FAO in a proportionate amount to be determined by the Director-General.]

OR

[5.5 Contracting Parties that are not Members of FAO shall contribute towards the amount reserved for the Treaty in the budget FAO in a proportionate amount to be determined by the Governing Body.]

5.6 Pending receipt of annual contributions, the Secretary is authorized to finance budgeted expenditure from the uncommitted balance of the General Fund.

[5.7 For determining the indicative annual contributions of each Contracting Party, the assessed contribution for such Contracting Party for the financial period pursuant to paragraph 1(a) above, shall be divided into two equal instalments, one of which is payable in the first calendar year and the other in the second calendar year of the financial period.]

[5.8 At the beginning of each calendar year the Secretary shall inform Contracting Parties of their indicative annual contributions to the budget.]

OR

[5.8 At the beginning of each calendar year the Director-General shall inform Contracting Parties of their indicative annual contributions to the budget.]

[5.9 All contributions to the Administrative Budget shall be paid in United States dollars or its equivalent in a convertible currency. Where a contribution is paid in a convertible currency other than United States dollars, the applicable rate shall be the bank currency conversion rate in effect on the day the payment is made.]

OR

[5.9 All contributions to the Administrative Budget shall be paid in two currencies, in accordance with the distribution key for the collection of contributions of the Government in question, as agreed at the Conference in 2003.]

5.10 Contributions not immediately required shall be invested at the discretion of the Director-General of FAO, in consultation with the Secretary. The resulting income shall be credited to the relevant fund or funds referred to in Rule 6.2.

Rule VI

Funds

6.1 All contributions and other receipts shall be placed in a Trust Fund administered by FAO.

[6.2 With respect to the Trust Fund referred to in paragraph 6.1, FAO shall maintain the following Funds:

- a) A General Fund to which shall be credited receipts of all contributions paid under Rule V.1 (a), along with any additional contributions to offset administrative budget expenditures that are made by Contracting Parties, non-Contracting Parties, non-governmental organizations and other entities pursuant to Rule V.1 (b) and

(c), and other moneys accruing in respect of the General Fund under Rule V.1 (d) and (e), from which shall be met all expenditure chargeable against the annual Administrative Budget;

- b) A Special Fund to which shall be credited other contributions paid under Rule V.1 (b) and (c) and other moneys accruing in respect of the Special Fund under Rule V.1 (d) and (e);
- c) The Governing Body shall reimburse FAO for the administrative and operational support services provided to the Governing Body, its subsidiary bodies and the Treaty secretariat from the funds referred to in paragraphs (a) and (b), under such terms as may from time to time be established by the Governing Bodies of the FAO.]

OR

[6.2 With respect to the Trust Fund referred to in paragraph 6.1, FAO shall maintain the following Funds:

- dd) A General Fund to which shall be credited receipts of the amount reserved for the Treaty under Rule V.1 (a), along with any additional contributions to offset administrative budget expenditures that are made by Contracting Parties, non-Contracting Parties, non-governmental organizations and other entities pursuant to Rule V.1 (b) and (c), and Rule V.5, and other moneys accruing in respect of the General Fund under Rule V.1 (d) and (e), from which shall be met all expenditure chargeable against the annual Administrative Budget;
- ee) A Special Fund to which shall be credited other contributions paid under Rule V.1 (b) and (c) and other moneys accruing in respect of the Special Fund under Rule V.1 (d) and (e).]

6.3 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.

[Rule VII

Reimbursement

7.1 The Governing Body shall reimburse FAO for the administrative and operational support services provided to the Governing Body, its subsidiary bodies, and the Treaty Secretariat, from the funds referred to in Rule VI.2, under such terms as may, from time to time, be established by the Governing Bodies of the FAO.]

Rule VIII

Accounts and Audit

8.1 The accounts and financial management of all funds governed by the present rules shall be subject to the internal and external audit process of FAO.

8.2 During the second year of the financial period FAO shall provide the Contracting Parties with an interim statement of accounts for the first year of the financial period. FAO shall also, as soon as practicable, provide to the Contracting Parties a final certified statement of accounts for the full financial period.

Rule IX Amendments

9.1 These Rules may be amended by the Governing Body [by consensus] [in accordance of Rule XII of the Rules of Procedure].

[Rule X Entry into force

10.1 These rules and any amendments thereto shall come into force upon their approval by the Governing Body.]

[Rule XI OVER-RIDING AUTHORITY OF THE TREATY

11.1 In the event of any conflict between any provision of these rules and any provision of the Treaty, the Treaty shall prevail.]]