

**Text for inclusion in the 2008 Report of the Consultative Committee**

The Joint Advisory Group (JAG) agreed at its forty-first session in December 2007, that a new ITC Trust Fund should be established as of 1 January 2008 and that the Global Trust Fund continued in parallel to the new Trust Fund until 31 December 2009.

The Consultative Committee revised the general conditions to ensure the transfer of exchange gains and annual interest to the ITC operating reserve to increase the level of the operating reserve up to the required 15% of annual expenditure.

The Consultative Committee adopted the revised version of the “General conditions for the implementation of the Global Trust Fund” (Annex 2e) and the “General conditions for the implementation of the ITC Trust Fund” (Annex 2d).

Following the adoption of the “General conditions for the implementation of the ITC Trust Fund” by the Consultative Committee, contributions received in 2008 and initially placed under Window I of the Global Trust Fund and where such funds are not yet committed, they will be transferred to the ITC Trust Fund and projects will be managed from the ITC Trust Fund. The Consultative Committee will report on this transitional measure for 2008 to the JAG.

**Text re. DESIGN & IMPLEMENTATION OF A NEW ITC TRUST FUND SYSTEM**

The Consultative Committee took note of the document entitled “Design & implementation of a new ITC trust fund system” and the fact that funds contributed to Window 2 may be deployed as required to any activity falling within Window 2, while fully respecting earmarking over the financial period.