

February 2021



Food and Agriculture
Organization of the
United Nations



The International Treaty
ON PLANT GENETIC RESOURCES
FOR FOOD AND AGRICULTURE

INTERNATIONAL TREATY ON PLANT GENETIC RESOURCES
FOR FOOD AND AGRICULTURE

THIRD MEETING OF THE STANDING COMMITTEE ON THE FUNDING
STRATEGY AND RESOURCE MOBILIZATION

23 – 26 February 2021

OPTIONS PAPER FOR BSF-5

I. INTRODUCTION

1. The Governing Body, at its Eighth Session, delegated the authority for the operations of the Benefit-sharing Fund during the biennium to the Standing Committee on the Funding Strategy and Resource Mobilization (the Funding Committee).
2. At its second meeting, the Funding Committee finalised the *Operational Plan 2020-2025*. One of the three focus areas of the Operational Plan is the Benefit-sharing Fund (BSF) Operations (Focal Area 2). Within such focal area, one of the milestones of the Operational Plan is the design and launch of the Fifth Project Cycle of the Benefit-sharing Fund (BSF-5) by 2021.
3. The Funding Committee requested the Secretariat to prepare an *Options Paper for BSF-5* for its consideration at its third meeting. The Options Paper would include an update on the funds available for BSF-5, the options to design BSF-5 based on those set out in the new *Operations Manual: Benefit-sharing Fund* (the BSF Manual)¹ outreach activities to donors and partners, and the possible next steps and timeline, including the work to be undertaken by the Committee at its fourth meeting.
4. This document responds to the request of the Funding Committee and provides, inter alia, possible options for the design of the BSF-5 (Section II), overall approach and activities for outreach and communication (Section III) and the next steps and timeline for the work of the Funding Committee (Section IV). Information on the resources currently available for BSF-5 is contained in Annex 1 to this document.

II. OPTIONS FOR THE DESIGN OF BSF-5

2.1 Designing the BSF-5 programmatic focus

5. The previous Funding Strategy had very broad priorities for the Benefit-sharing Fund, which were linked to many priorities within FAO's *Global Plan of Action for Plant Genetic Resources for Food and Agriculture*. The design of previous cycles of the BSF have required a Call for Proposals (CfPs) to initiate each funding cycle. The different CfPs contained key thematic areas or windows, or in the case of the fourth project cycle, a programme Results Framework. Projects funded at each CfPs had to contribute to realization of the funding windows or the Results Framework. This *modus operandi* had transaction costs and there was a shared

¹ Annex 2 of the Funding Strategy of the International Treaty on Plant Genetic Resources for Food and Agriculture 2020-2025 available at <http://www.fao.org/3/nb780en/nb780en.pdf>

view that it brought uncertainty in what would be funded to certain stakeholders, including donors to a given cycle.

6. The current Funding Strategy has been designed taking into account the lessons learned from the management of previous BSF project cycles. The BSF Manual contains the basis for programming any funding cycles within the period 2020 – 2025, including in relation to beneficiaries and priorities (paras. 4 – 8), its storyline and theory of change (paras. 12 – 17, and the figure 2 - *Theory of Change: Benefit-sharing Fund*). The Benefit-sharing Fund is expected to build and strengthen linkages with other funding channels of the Funding Strategy and facilitate the implementation of the Treaty mechanisms, such as the Multilateral System and the Global Information System (paras. 9 – 11).

7. At its third meeting, the Funding Committee will consider the Draft *Monitoring, Evaluation and Learning Framework for the Benefit-Sharing Fund* (MEL framework).² The MEL Framework will contain the BSF Results Framework as the centrepiece of the BSF programme. It will set the overall outcomes of the BSF programme, main outputs to be achieved and related targets to which all BSF funded projects have to contribute. Once the MEL Framework is finalized, the Results Framework and related indicators will also be ready for use within the period 2020 – 2025, as well as the approaches for monitoring, evaluation, learning and knowledge sharing.

8. The projects to be funded under BSF-5 will need to align to the BSF Manual and its MEL Framework, and if a new Call for Proposals is needed (see next section), it will be based on the BSF Manual and the MEL Framework and would not need to be designed from scratch.

9. In addition, there are two areas that the Funding Committee may wish to discuss in designing BSF-5. The Committee may wish to discuss (1) whether and how any recommendation arising from the independent evaluation of BSF-3 should be taken into account in designing BSF-5³, and (2) whether projects funded through BSF-5 should strive to contribute efforts to build back better from the COVID-19 pandemic.

2.2 Options for designing fund allocation

10. Section III: *Operational Procedures for the Use of Resources Under the Benefit-sharing Fund*, of the BSF Manual, provides the following options, individually or in combinations, to the Funding Committee for the design and launch of subsequent phases of the Benefit-sharing Fund operations:

- A. establish and launch a new round of the project cycle, as needed;
- B. decide whether to provide funding to projects that previously received a Certificate of Excellence from the Panel of Experts (B.1) or to a second phase of projects previously funded by the Benefit-sharing Fund (B.2);
- C. decide whether to contribute to larger development programmes to support the implementation of interventions that are aligned with the programmatic approach of the Benefit-sharing Fund;
- D. decide whether to provide project preparation funding for larger project proposal development contributing to the programmatic approach of the Fund.

² IT/GB-9/SFC-3/21/4- First draft MEL Framework: Monitoring, Evaluation and Learning Framework for the Benefit-sharing Fund available at <http://www.fao.org/3/cb3336en/cb3336en.pdf>

³ IT/GB-9/SFC-3/21/Inf.3- Draft Report of Phase 1 of the Independent Evaluation of the Third project cycle of the Benefit-Sharing Fund (pp. 66-71) available at <http://www.fao.org/3/cb3418en/cb3418en.pdf>

11. While Option A: *establish and launch a new round of the project cycle*, has been used throughout four BSF project cycles, options B to D are new approaches available for the use of resources under the BSF and bring important novelties in terms of decision-making process for the BSF and programme operations.

12. The Secretariat has developed 3 possible combinations of “best options” to facilitate the initial discussions of the Funding Committee. The combination of ‘best options’ has been prepared based elements of cost-effectiveness, took into account lessons learnt from the previous BSF Calls for Proposals, the innovative approaches set out in the BSF Manual as well as the recommendations of Phase 1 of the Independent Evaluation of the BSF-3. The cost-effectiveness elements considered also the selection methods, partnerships, investment value and accountability. These combinations of “best options” are provided in Table 1.

13. The Funding Committee may wish to discuss which combination of the options contained in the BSF Manual should be used in designing and launching BSF-5.

Table 1: Combination of “best options” for designing fund allocation

Option 1: Combination of options A and B.1 and B.2 of the Operations Manual
<i>Establish and launch the fifth call for proposals (CfPs-5) and decide to provide funding to a second phase of projects previously funded by the Benefit-sharing Fund with record of high-performance and to projects that received a certificate of excellence from the Panel of Experts and that target Contracting Parties that have never participated in a BSF project.</i>
<p>Elements of cost-effectiveness:</p> <ol style="list-style-type: none"> 1. A global competitive selection process (for the CfP) combined with use of B.2 to identify a few BSF partners with record of high performance and with use of B.1 to include a few new partners for BSF from Contracting Parties that have never participated in a BSF project. 2. Potential to design the cycle in phases with quicker use of funds through B.2 first, followed by B.1 and A. 3. Potential to establish synergies and complementarities between the new and second phase projects. 4. Potential of scaling out and up results obtained with high-performance partners and reach out to a wider set of beneficiaries and institutions. 5. Potential, through the use of A and B.1, to test and validate innovative models and adaptation strategies with selected new partners/countries. 6. Predictability of performance and delivery with highest technical and financial accountability brought through B.2, which is essential for potential donors of BSF-5. 7. Further investment and value addition to promising outcomes and outputs with B.2. 8. Incentives created for current and future partners to maintain high-performance records. 9. Increased balance between technical merit and inclusion.
Option 2: Combination of options B.1., B.2. and C of the Operations Manual
<i>Contribute to larger development programmes to support the implementation of interventions that are aligned with the programmatic approach of the Benefit-sharing Fund and provide funding to second phase projects and projects that received a certificate of excellence from the Panel of Experts.</i>
<p>Elements of cost-effectiveness:</p> <ol style="list-style-type: none"> 1. Innovative, strategic and integrated approach. 2. Enables strategic alliances and enhanced partnerships at multiple levels. 3. Test a change of direction for BSF, as no Call for Proposals is needed. 4. Possibility for rapid use of available funds through B.2 combined with allocations through B.1 and C. 5. Strategic alignment of the BSF programmatic approach with larger programmes (FAO, GEF, CGIAR, GCDT, UNDP, regional/bilateral programmes, etc.) but process to identify those programmes need to be decided first. 6. Integrate BSF immediate and medium-term objectives within long-term goals. 7. Add value to BSF funded programme.

8. High technical and financial accountability through B.2 and C.
9. Increased visibility and policy engagement, including value addition to the BSF certificates of excellence.
10. Enables the quick start of BSF-5 programme.

Option 3: Combination of option A and C of the Operations Manual

Decide to establish and launch a new round of the project cycle and decide to contribute to larger development programmes to support the implementation of interventions that are aligned with the programmatic approach of the Benefit-sharing Fund;

Elements of cost-effectiveness:

1. A global competitive selection process (for the CFPs) with ad-hoc selection of programmes and partners
2. Possibilities of establishing synergies and complementarities between the new projects and larger programmes
3. Avoid duplications of funded interventions
4. Add value to BSF funded programme
5. Link BSF with national, regional and global PGRFA strategies
6. Strategic alignment of the BSF programmatic approach
7. Increased visibility and policy engagement

III. OUTREACH ACTIVITIES TO DONORS AND PARTNERS

14. The initial stages of design of BSF-5 provide a unique opportunity to communicate with donors and partners in order to seek their support and contribution to make BSF-5 a success. It provides an opportunity to introduce and describe the new BSF Manual as well as the work undertaken by the Funding Committee on the new MEL Framework. It also provides a practical avenue to communicate to others how the Benefit-sharing Fund is integrated within a comprehensive Funding Strategy.

15. The details of the funding available for BSF-5, as of 31 December 2020, are provided in Annex 1 to this document. Discussions with a number of possible donors have advanced since the last meeting of the Funding Committee and are still ongoing. At the SFC-3 meeting, the Secretariat will provide an update on the status of resource mobilization for BSF-5.

16. There are a number of high-visibility processes and events that will take place during the 2021. There may be opportunities for resource mobilization for BSF-5 in the lead-up to these events, in particular the UN Food Systems Summit.

17. The Funding Committee may wish to discuss options to (1) enable the Secretariat and the Funding Committee conduct a short campaign on outreach and resource mobilization for BSF-5 concluding at the UN Food Systems Summit, and (2) consult partners and relevant units within FAO on opportunities for supporting the implementation of BSF-5.

IV. NEXT STEPS AND TIMELINE

18. The Funding Committee may wish to consider and agree on the next steps and related timeline for the development and launch of BSF-5, taking into account the following indicative elements:

- Based on the discussions and guidance provided at SFC-3, Secretariat to prepare a first draft BSF-5 programme to be presented for discussion at SFC-4.
- Based on guidance provided at SFC-3, the Secretariat and the Funding Committee conducts a short campaign on outreach and resource mobilization for BSF-5 concluding at the UN Food Systems Summit that is planned to take place in September 2021 (TBC).

- Based on guidance provided at SFC-3, the Secretariat consults partners and relevant units within FAO on opportunities for supporting the implementation of BSF-5. The Secretariat provides an update to the Funding Committee at SFC-4.

V. GUIDANCE SOUGHT

19. The Funding Committee is invited to consider the *Options Paper for BSF-5* and have an initial discussion on the options for designing BSF-5, including options described in paragraphs 9, 13 and 17, and the next steps and timeline contained in section IV of this document.

20. The Funding Committee is also invited to provide guidance on how it may wish to proceed and to indicate how the Secretary could further assist the Funding Committee in the development and launch of the Fifth Project Cycle of the Benefit-sharing Fund.

ANNEX I

FUNDING AVAILABLE FOR THE 5TH PROJECT CYCLE OF THE BENEFIT-SHARING FUND (AS OF 31 DECEMBER 2020)

	Total In hand USD	%	Total Expected receipts USD	%
MLS USER-BASED INCOME				
Canadian seed company	713			
Nunhems Netherlands B.V.	34,829		86,624	
Bejo Zaden BV	9,334			
Sub-total	44,876	1.42%	131,500	3.24%
VOLUNTARY CONTRIBUTIONS				
a. Contracting Parties				
Italy	1,117,324		606,796	*
Netherlands	51,994			
Sub-total	1,169,318	37.10%	1,776,114	43.77%
b. Seed Private Sector				
Groupement National Interprofessionel des Semences	387,305		212,379	*
Sub-total	387,305	12.29%	599,684	14.78%
c. Other Private Sector including Food Processing Industries				
Sub-total	-	0.00%	-	
d. International Mechanisms and Funds				
Sub-total	-	0.00%	-	
e. Philanthropic Institutions and others				
ProSpecieRara Hauptsitz	502			
Sub-total	502	0.02%	502	0.01%
f. Innovative Approaches				
Norwegian initiative: 1.1% of national seed sales	221,534		105,000	**
Sub-total	221,534	7.03%	221,534	5.46%

g. Other Available Funds				
Residual Funds from previous project cycles of the BSF	1,328,097			
Sub-total	1,328,097	42.14%	1,328,097	32.73%
GRAND TOTAL	3,151,633	100.00%	4,057,432	100.00%

** Euro contributions converted at current*

Euro/USD exchange rate

*** Based on the average contribution for the last five years*

ANNEX 2

**TOTAL HISTORICAL CONTRIBUTIONS TO THE BENEFIT-SHARING FUND (AS OF
31 DECEMBER 2020)**

	USD	%
MLS USER-BASED INCOME		
Canadian seed company	3,187	
Nunhems Netherlands B.V.	153,835	
Bejo Zaden BV	9,334	
Sub-total	166,356	0.56%
VOLUNTARY CONTRIBUTIONS		
a. Contracting Parties		
Australia	1,588,815	
Austria	24,176	
Germany	587,896	
European Commission	5,212,877	
Indonesia	100,000	
Ireland	659,800	
Italy	8,011,811	
Netherlands	51,994	
Norway	6,855,727	
Spain	2,348,935	
Sweden	244,903	
Switzerland	135,974	
Sub-total	25,822,908	86.80%
b. Seed Private Sector		
European Seed Association	339,751	
Groupement National Interprofessionel des Semences	602,029	
International Seed Federation	49,280	
Sub-total	991,060	3.33%
c. Other Private Sector including Food Processing Industries		
Sub-total	-	0.00%
d. International Mechanisms and Funds		
IFAD	1,500,000	

Sub-total	1,500,000	5.04%
e. Philanthropic Institutions and others		
ProSpecieRara Hauptsitz	502	
Sub-total	502	0.00%
f. Innovative Approaches		
Norwegian initiative: 1.1% of national seed sales	1,262,068	
Seed trade licencing platform	6,416	
Sub-total	1,268,484	4.26%
GRAND TOTAL	29,749,310	100.00%