



The International Treaty

ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE



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Item 9.2 of the Provisional Agenda

INTERNATIONAL TREATY ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE

THIRD SESSION OF THE GOVERNING BODY

Tunis, Tunisia, 1 – 5 June 2009

REPORT ON ACTIONS TAKEN BY THE SECRETARY ON THE IMPLEMENTATION OF THE FUNDING STRATEGY

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This document corrects document IT/GB-3/09/8. The changes made are underlined.

I. INTRODUCTION

1. Under Article 18 of the International Treaty on Plant Genetic Resources for Food and Agriculture (“the Treaty”), “*Contracting Parties undertake to implement a funding strategy for the implementation of [the] Treaty*” with the objective to “*enhance the availability, transparency, efficiency and effectiveness of the provision of financial resources to implement activities under this Treaty*”.
2. By Resolution 1/2006, the Governing Body adopted the Funding Strategy for the Implementation of the International Treaty, “[r]ecognizing that an effective Funding Strategy is critical to the implementation of the Treaty”.
3. At its Second Session, the Governing Body adopted, as annexes to the Funding Strategy, Priorities; Eligibility Criteria; and Operational Procedures for the use of resources under its direct control, as contained in Appendices D.1, D.2 and D.3 respectively of the *Report of its Second Session*. The Operational Procedures adopted by the Governing Body established the principles, project cycle and selection criteria for the use of resources under the direct control of the Governing Body. They also established that the Governing Body shall approve disbursement, reporting and monitoring procedures for the completion of the project cycle.
4. At its Second Session, the Governing Body decided to reconvene the *Ad Hoc* Advisory Committee on the Funding Strategy, with revised terms of reference and an expanded membership, with up to two representatives nominated by each of the FAO regions.¹
5. As part of its revised terms of reference, the *Ad hoc* Advisory Committee on the Funding Strategy was requested to “*develop a strategic plan for the implementation of the Funding Strategy of the International Treaty, in particular appropriate mechanisms for its operationalization and a fundraising strategy, including the option of the involvement of a professional fund raiser, for the funds under the control of the Governing Body*”,² and to elaborate Annex 4 of the Funding Strategy, *Information and Reporting Requirements under the Funding Strategy*, for consideration by the Governing Body at its Third Session.³
6. In relation to the further development of the operational procedures for the Funding Strategy, the Governing Body at its Second Session agreed that the Secretary closely collaborate with the Executive Secretary of the *Global Crop Diversity Trust*, to learn from the Trust’s experiences.⁴
7. At its Second Session, the Governing Body further decided to delegate responsibility, to the Bureau, for the approval of projects between sessions under exceptional circumstances and for smaller scale projects.⁵
8. A number of the decisions of the Governing Body, as well as outcomes of the meetings of its Subsidiary Bodies, also required follow-up actions by the Secretary. This document describes some of the major developments that have occurred since the Second Session of the Governing Body and the several follow-up actions taken by the Secretary in the implementation of the Funding Strategy and the key lessons learned in the process.

¹ IT/GB-2/07/Report, paragraph 52.

² IT/GB-2/07/Report, *Appendix D.4*.

³ IT/GB-2/07/Report, *Appendix D.4*.

⁴ IT/GB-2/07/Report, paragraph 46.

⁵ IT/GB-2/07/Report, paragraph 47.

II. MAJOR DEVELOPMENTS SINCE THE SECOND SESSION OF THE GOVERNING BODY

9. Since the Second Session of the Governing Body, significant progress has been made in the implementation of the Funding Strategy, including some major accomplishments by both the Bureau and the *Ad Hoc* Advisory Committee on the Funding Strategy.

10. In March 2008, the Kingdom of Norway announced, at the opening of the Svalbard Global Seed Vault in Longyearbyen, Norway, that it will make an annual voluntary contribution of 0.1% of national seed sales in Norway to the Benefit-sharing Fund of the Treaty. Norway has made the first of its annual voluntary contributions to the Benefit-sharing Fund. Further generous voluntary contributions to the Benefit-sharing Fund were also made by Italy, Spain and Switzerland, altogether making a total of US\$ 581,088 by April 2009.

11. Consequently, at its second meeting, the Bureau, taking the availability of funds under the Funding Strategy into account, agreed to seek the advice of the *Ad Hoc* Advisory Committee on the Funding Strategy on the appropriate amount for small scale projects and on the percentage of the total funds available to be assigned to the first round of the project cycle. It also agreed that it would consider opening the call for proposals at its next meeting.

12. Pursuant to the request of the Bureau, the *Ad Hoc* Advisory Committee on the Funding Strategy, at its third meeting, provided the following advice:

- It recommended that an appropriate amount for small scale projects would be up to a maximum of US\$ 50,000;
- It recommended that up to US\$ 250,000 should be assigned to the first project cycle.

13. After due consideration, taking these recommendations and the available resources into account, and in accordance with the Operational Procedures, the first call for proposals under the Benefit-sharing Fund of the Treaty was issued by the Bureau in the first week of December 2008. Details of the process, including the call, pre-screening and appraisal of proposals, as well as the experiences gained are elaborated below.

III. ACTIONS TAKEN BY THE SECRETARIAT

a) Actions taken on the implementation of the Funding Strategy in general

14. Following the decision of the Governing Body, the Secretariat made arrangements for, and serviced, the third and fourth meetings of the *Ad Hoc* Advisory Committee on the Funding Strategy, which took place from 16 to 17 October 2008 in Rome, Italy, and from 12 to 13 March 2009 in Geneva, Switzerland.⁶

15. At its third meeting, the Committee considered the inputs that would be essential for the completion of its work, and identified the following activities and options, which would assist in the further development of the Strategic Plan:

- *“the Committee will request the Vice-chairs and the National Focal Points to provide information on a limited set of questions for the preparation of estimates of funding targets for the three priorities identified in Annex 1 of the Funding Strategy;*
- *a study will be commissioned by the Secretariat [...];*

⁶ See document IT/GB-3/09/7.

- *a brainstorming workshop with high-level and experienced experts will be held directly preceding the next meeting of the Committee[...].*⁷

16. Accordingly, the Co-chairs of the Committee and the Secretariat further explored these three options, and initiated the necessary actions. A set of questions for the estimation of funding targets was prepared and sent to National Focal Points and Vice-Chairs, inviting them to provide the relevant information. The replies to this questionnaire were analysed, and the outcomes were provided to the fourth meeting of the Committee. These outcomes, in addition to information on funding needs and availability drawn from other sources, served as a valuable input to the Committee's preparation of funding targets for the Strategic Plan.

17. At its third meeting, the Committee agreed that, subject to the availability of funds, *“it would be helpful for the further development of the Strategic Plan to engage professional fundraising services”*.⁸ The Secretariat accordingly commissioned a study and sought the support of fundraising experts for the preparation of a draft Strategic Plan document for the fourth meeting of the Committee.

18. Following an extensive search process and excellent references, CCS – Community Counselling Service was engaged to undertake the relevant study, prepare an initial draft Strategic Plan document and provide advice to the Secretary and the Committee.⁹

19. In the preparation of a draft text of the Strategic Plan, CCS undertook extensive research to collect the necessary information and identify the relevant parameters for the design of a resource mobilization strategy. In this context, CCS surveyed and analyzed the institutional landscape of international organizations and funding mechanisms, and the landscape of public and private investment as it pertains to development cooperation, sustainable agriculture and biodiversity. To this end, they also conducted interviews with some of the key stakeholders and potential donors for the Treaty.

20. As suggested by the Committee for the further development of the Strategic Plan, the Secretary, in cooperation with the FAO Liaison Office in Geneva, organized a “Brainstorming workshop – How to design a successful fundraising strategy for the Treaty”, prior to, and back-to-back, with the fourth meeting of the Committee, on 11 March 2009 at the Palais des Nations, Geneva, Switzerland. The brainstorming workshop aimed at gathering the experiences and views of knowledgeable experts on resource mobilization, and brought together experts from several organizations and bodies, including the Global Fund to Fight AIDS, Tuberculosis and Malaria; the World Heritage Centre; the Global Crop Diversity Trust; the Norwegian Government; the European Seed Association; the Community Counselling Service – CCS.

21. The workshop provided the opportunity for the participants to share valuable experiences of other successful international financial mechanisms; gain a better understanding of donors' perspectives in terms of what characterizes a compelling case for support and which requirements have to be fulfilled to gain donor confidence and interest; and discuss, with professional fundraisers, the characteristics of successful fundraising strategies.

22. The Committee was able to develop the draft Strategic Plan for the Implementation of the Benefit-sharing Fund of the Funding Strategy at its fourth meeting, and the Co-chairs of the Committee felt that it would be helpful to hold a Special Event immediately preceding the Third Session of the Governing Body, to explain to delegates the complexities of the proposed Strategic

⁷ IT/ACFS-3/08/Report, paragraph 26.

⁸ IT/ACFS-3/08/Report, paragraph 28.

⁹ CCS is a widely recognized fundraising consulting and management firms for non-profit institutions. CCS works with major non-profit organizations in designing and implementing significant fund-raising campaigns and programs, serving over 300 organizations per year from different sectors, including education, healthcare, arts and culture, conservation and environment.

Plan in more detail. In consultation with the Bureau, they requested the Secretary, subject to availability of capacity, to assist in organizing the Special Event.

23. The Secretariat has also taken other steps to facilitate the provision of resources for the implementation of the Treaty. As foreseen in Resolution 2006/1, the Secretary contacted international mechanisms, funds and bodies relevant to the Funding Strategy, and promoted the Treaty and its Funding Strategy to prospective donors and other relevant organizations. The Secretary communicates, on an ongoing basis, with several foundations and private donors, to present the Treaty, its accomplishments and challenges. Some foundations have shown positive interest in the work and importance of the Treaty, and consider the Funding Strategy to have a high potential for effective and successful resource mobilization.

24. The Secretary has also held discussions and provided ongoing updates to the Italian, Spanish, Norwegian and Swiss donors, who have generously made voluntary contributions to the Benefit-sharing Fund of the Treaty.

25. Furthermore, the Secretary contacted the Common Fund for Commodities (CFC), during the intersessional period (2007-2009), to explore possibilities of working together in the context of the Funding Strategy. The Secretary received a positive response, and the express willingness of the CFC to enter into a Memorandum of Understanding with the Treaty. The Secretary will follow up on this contacts and report to the Governing Body accordingly, at a future session.

b) Actions taken on the operation of the Benefit-sharing Fund

Opening of the call for proposals

26. The Operational Procedures for the Funding Strategy foresee that the Secretary will prepare the call for proposals under the guidance of the Bureau. Following the decision of the Bureau to open the call for proposals, he therefore initiated the actions necessary.

27. In doing so, the Secretary also consulted with the Executive Secretary of the *Global Crop Diversity Trust* to learn from their experience.¹⁰

28. The Secretary prepared the notification of the call for proposals in English, French and Spanish, and posted it on the website of the Treaty. The call for proposals was opened from the first week of December 2008 until 15 January 2009. The call provided relevant information on: the three priority areas adopted by the Governing Body; the eligibility, selection and approval criteria; the deadline for the submission of pre-proposals; the maximum funds to be granted per project; and an overview of the process.

29. The opening of the call for proposals was also notified to the National Focal Points of the Contracting Parties to the Treaty. Furthermore, the Secretariat informed other international organizations and partners on the opening of the call for their dissemination among potential applicants.

Submission of pre-proposals

30. In accordance with the Operational Procedures and the process established for the submission of pre-proposals, the Secretary elaborated a pre-proposal submission form, which was posted on the website of the Treaty.

¹⁰ At its Second Session, the Governing Body agreed that the Secretary should closely collaborate with the Executive Secretary of the *Trust* to learn from their experience for the further development of the operational procedures of the Funding Strategy. See document IT/GB-2.07/Report, paragraph 46.

31. During the period that the call was open, the Secretary received more than 150 substantive e-mail inquiries and phone calls, with questions from potential applicants.

32. By 15 January 2009, the Secretary received several hundred pre-proposals, from all seven FAO Regions. Many other pre-proposals were submitted after the deadline.

Screening and response to pre-proposals

33. In the course of the third step of the project cycle, the Secretariat held further consultations with the Secretariat of the *Global Crop Diversity Trust*, to learn from their experience with the compilation of information and data regarding applicants and proposals submitted.

34. The Secretary collated all the submissions and prepared relevant background documentation, as a preparatory task in the screening of pre-proposals, for the consideration of the Bureau at its third meeting.

35. At the third meeting of the Bureau, held in Rome from 15 to 17 February 2009, the Secretary provided information on: the pre-proposals submitted on time through the national authorities of countries that are Contracting Parties to the Treaty, i.e., through the National Focal Points or through the Permanent Representatives to FAO; the pre-proposals submitted on time through other channels; and the pre-proposals submitted after the deadline.

36. Following the third meeting of the Bureau and the screening of pre-proposals, the Secretary published, on the website of the Treaty, an information table with the 64 pre-proposals approved by the Bureau for the next step, and sent an invitation to relevant applicants to submit project proposals by 18 March 2009. In addition, the Secretary elaborated a project proposal form, which addressed the selection criteria, as established in the Operational Procedures.

Submission of project proposals from approved pre-proposals

37. Following the request for the submission of project proposals, the Secretary received 45 project proposals within the set time limit and in accordance with the Operational Procedures, while four project proposals were received after the deadline. Two further project proposals were submitted directly by the applicants rather than through the national authorities, as required by the Operational Guidelines. An information table of project proposals submitted from approved pre-proposals was published on the website of the Treaty, in accordance with the Operational Procedures.

38. The relevant project proposals were subsequently forwarded for ranking and evaluation to the Panel of Experts, established in accordance with the Operational Procedures, and designated by the Bureau in consultation with the Regions. A total of 14 project proposals were translated into English, as some of the experts could not work in the languages the proposals were submitted in.

39. Furthermore, the Secretariat developed a database to collate information regarding the project proposals submitted, as an important tool for improving the management of the project cycle, in order to further simplify the process and make it more accessible, efficient and effective.

Appraisal of project proposals

40. In appraising the project proposals, the Experts were requested to rank the project proposals from 0 to 5, according to the 10 selection criteria adopted by the Governing Body at its Second Session. Each project proposal was sent to three experts, one of whom was from the region of the applicant, as agreed by the Bureau at its third meeting. However, one of the experts

was unable to evaluate the project proposal submitted from the Expert's region, having been actively involved in its preparation.

Approval of projects for funding within the first project cycle

41. The Bureau met on 31 May in Tunis, to approve the projects and decided to increase the ceiling for disbursements in the first project cycle to US\$ 580,000. It approved projects for funding as described in document IT/GB-3/09/Inf.11.

42. It noted that the Operational Procedures for the use of resources under the direct control of the Governing Body provide, in paragraph 6c, that “projects not fundable within that year will be presented to donors for possible funding [...]”.

IV. LESSONS LEARNED FROM THE OPERATION OF THE BENEFIT-SHARING FUND

Public awareness of the Treaty

43. The first call for proposals resulted in a number of significant advances in the implementation of the Treaty, such as: the increase in awareness of Contracting and non-Contracting Parties, private and public sectors, and users of plant genetic resources for food and agriculture; clear intentions expressed by non-Contracting Parties to become Contracting Parties to the Treaty; and the nomination of additional National Focal Points to the Treaty.

44. The call also demonstrated that the Treaty is now becoming fully operational, both regarding facilitated access to plant genetic resources for food and agriculture, and the fair and equitable sharing of benefits arising from the utilization of those resources.

45. The number of pre-proposals received within the very short time of the call, from all regions and from a wide range of institutions, groups and entities is indicative of some of the unmet needs that the Treaty's Funding Strategy can play a role in meeting.

46. The successful initiation of the first project cycle and the establishment of effective, transparent and efficient procedures will in itself be an incentive for donors to make voluntary contributions to the Benefit-sharing Fund.

Certainty and transparency

47. The operation of the first round of the project cycle revealed the importance of providing potential applicants with complete and comprehensive information on the call, and of avoiding ambiguity.

48. During the time the call was opened, the Secretary received various inquiries from potential applicants requesting clarification on certain aspects of the call, mainly regarding eligibility criteria and the terms and conditions of the grant, for instance; the maximum duration of projects to be funded; the nature of eligible organizations; the classification of countries that qualify as beneficiaries; the crops eligible for funding (*Annex 1* or non-*Annex 1* crops); and the status of germplasm and information generated by projects.

49. The clarification of these aspects would not only give certainty and clarity to applicants, but would also save the time used to respond to questions, and enhance the transparency and cost-effectiveness of the process.

50. In order to improve subsequent project cycles and ensure complete and clear information to potential applicants, the Governing Body may wish to consider establishing a number of additional requirements regarding: the crops to which projects addressing priority 2 (*managing and conserving plant genetic resources on-farm*) and 3 (*sustainable use of plant genetic resources*) apply; the range and nature of applicants that may apply from countries that are Contracting Parties to the Treaty; the classification of “developing countries” for the purpose of establishing eligibility in terms of project location; and the treatment of germplasm and information generated by projects funded through the Benefit-sharing Fund.

Efficient and simple procedures

51. The initial experience in the operation of the Benefit-sharing Fund demonstrates the importance of having efficient and simple procedures, including as an incentive for potential applicants who invest time and effort in preparing pre-proposals and project proposals, and in following-up on the application process.

52. According to the Operational Procedures, pre-proposals and project proposals shall be submitted by the Contracting Party or Parties in question to the Secretary of the International Treaty. This has resulted in obliging applicants to submit their proposals through the national authorities to the Treaty, i.e. through the National Focal Points or the Permanent Representatives to FAO. However, in some cases, project proposals were not submitted through the national authority on time, due to technical problems, or difficulties faced by applicants in communicating and coordinating with the national authority before deadlines. The Bureau noted that some applicants submitted multiple applications and that it had, at its previous meeting, decided to consider only one pre-proposal per individual applicant.

53. As pre-proposals are required to be submitted through national authorities and full project proposals can only be submitted on the basis of approved pre-proposals, the Governing Body may wish to consider allowing full proposals to be submitted directly by the applicant to the Secretary. This would reduce transaction costs and enhance the efficiency and simplicity of the process.

54. Additionally, according to the Operational Procedures, the Bureau shall appraise the project proposals, on the basis of recommendations by a Panel of Experts designated by the Bureau in consultation with their Regions. The high number of projects to be evaluated put a significant workload on the relatively small Panel of Experts. An additional difficulty was posed by the need to provide documents in the languages that experts could work in.

55. To facilitate and streamline the work of the Panel of Experts in future project cycles, the Secretariat will undertake an initial analysis of the project proposals to prepare the Panel’s work.

Technical support tools

56. During the implementation of the first project cycle, it was also evident that there is a need to standardise the process of receiving applications and systematizing the information through information, communication and management tools. These tools are important in order to ensure rapid response to applicants, monitor and report on the development of the project cycle, and reduce the workload of the Secretariat, making the implementation of the project cycle simpler, more accessible, efficient and effective. The Governing Body may wish to consider authorizing the Secretary to address the management of the project cycle by improving information, communication and management tools in order to facilitate and ensure continued rapid responses to applicants, monitor and report the development of the project cycle and reduce the workload of the Secretariat.

V. PROCEDURES FOR THE COMPLETION OF THE PROJECT CYCLE

57. According to the Operational Procedures adopted by the Governing Body at its Second Session, the Governing Body shall approve disbursement, reporting and monitoring procedures for the completion of the project cycle.

58. Considering that the Benefit-sharing Fund of the Treaty is established as a Trust Fund under FAO, and is managed under the financial rules of the Organization, the Secretary of the Treaty carried out initial enquiries regarding feasible disbursement procedures within FAO. Because the Benefit-sharing Fund is unique in its nature and operation, institutional solutions still need to be sought, and in the meantime interim arrangements for the immediate completion of the first round of the project cycle are necessary, while an intersessional process is put in place for the development of appropriate longer-term arrangements, for the consideration of the Governing Body at its next session. To this end, the Governing Body may wish to request the Secretary to explore and institute appropriate interim arrangements, and to proceed with the disbursement of funds for the approved projects accordingly. The Governing Body may also wish to request the Committee on the Funding Strategy, if established, to develop disbursement, reporting and monitoring procedures for the operation of future project cycles, for consideration and approval at its next session.

VI. POSSIBLE ELEMENTS OF A DECISION BY THE GOVERNING BODY

59. In light of the experience gained during the operation of the first project cycle of the Benefit-sharing Fund of the International Treaty, the Governing Body may wish to adopt a decision along the following lines:

The Governing Body,

Recognizing the importance of making concrete progress in the operationalization of the Funding Strategy;

Recalling that the Operational Procedures for the Use of Resources under the Direct Control of the Governing Body are based on the following principles:

- 1) Transparency and impartiality;
 - 2) Simplicity and accessibility;
 - 3) Efficiency and effectiveness;
- i) **Decides** that:
- a. Any governmental or non-governmental organization, including genebanks and research institutions, farmers and farmers' organizations, and regional and international organizations, based in countries that are Contracting Parties to the Treaty, may apply for grants under the Benefit-sharing Fund;
 - b. The list of developing countries eligible for support under the Benefit-sharing Fund will be prepared by the Secretary for each round of the project cycle based on the most recent World Bank classification of economies;
 - c. For future rounds of the project cycle, pre-proposals shall be submitted to the Secretary of the Treaty through the national authorities of the Contracting Party or Parties in question, and project proposals from approved pre-

- proposals shall be submitted to the Secretariat of the Treaty directly by the applicants;
- d. Projects addressing priorities 2 (*managing and conserving plant genetic resources on-farm*) and 3 (*sustainable use of plant genetic resources*) shall be related to *Annex 1* crops;
 - e. Germplasm resulting from projects funded by the Benefit-sharing Fund shall be made available according to the terms and conditions of the Multilateral System, and information generated by projects funded through the Benefit-sharing Fund shall be made publicly available;
- ii) **Requests** the Secretary to:
 - a. Consult within FAO in order to find interim arrangements for the disbursement of funds, and project reporting and monitoring, for the conclusion of the first project cycle;
 - b. Make the necessary practical arrangements, and proceed with the disbursement of funds for the approved projects under the Benefit-sharing Fund of the Treaty;
 - c. Further improve information, communication and management tools for the management of the project cycle, in order to make its implementation more efficient and transparent;
 - d. Continue collaborating with the Executive Secretary of the *Global Crop Diversity Trust* and other international organizations in the further development and implementation of operational procedures;
 - iii) **Thanks** the Executive Secretary of the *Global Crop Diversity Trust* for the support to the Secretary of the Treaty in the development and execution of the first call for proposals under the Benefit-sharing Fund;
 - iv) Thanks the Experts who evaluated the projects for their valuable assistance;
 - v) **Requests** the Committee on the Funding Strategy¹¹ to develop disbursement, reporting and monitoring procedures for the operation of future project cycles, for consideration and approval by the Governing Body at its next session;
 - vi) **Requests** the Secretary to bring project proposals favourably appraised but not funded during the first project cycle to the attention of relevant international mechanisms, funds and bodies, both bilateral and multilateral, in accordance with paragraph 6c of the Operational Procedures;
 - vii) **Invites** relevant international mechanisms, funds and bodies to consider those project proposals favourably, and **requests** those mechanisms, funds and bodies to inform the Secretary of the funding and progress of those projects, as part of the Treaty's Funding Strategy, for reporting to the Governing Body at its next session;
 - viii) **Decides** to delegate authority for the execution of the project cycle during the next biennium (2010/2011) to [such subsidiary body as the Governing Body may decide].

¹¹ If the decision to establish a Committee on the Funding Strategy is taken. See document IT/GB-3/09/7.