



**Food and Agriculture
Organization of the
United Nations**



The International Treaty
**ON PLANT GENETIC RESOURCES
FOR FOOD AND AGRICULTURE**

Item 12 of the Provisional Agenda

SEVENTH SESSION OF THE GOVERNING BODY

Kigali, Rwanda, 30 October – 3 November 2017

Report on Implementation of the Funding Strategy

Executive Summary

The Funding Strategy seeks to attract financial resources from a wide range of funding mechanisms in support of International Treaty implementation. These include funding sources under the direct control of the Governing Body, such as the Benefit-sharing Fund (BSF), as well as other multilateral channels, such as the Global Crop Diversity Trust (Crop Trust) and the Global Environment Facility (GEF), regional and bilateral channels, and various funding mechanisms for national plant genetic resources for food and agriculture (PGRFA) activities.

At its sixth meeting, the Governing Body recognized that an effective Funding Strategy is essential to implementation of the International Treaty, and that it should be regularly reviewed by the Governing Body. It decided to reconvene the *Ad Hoc* Advisory Committee on the Funding Strategy to provide the basis for such reviews. The report of the Committee, which provides elements for the Resolution related to the review of the Funding Strategy, is contained in a separate document: *Report of the Ad Hoc Advisory Committee on the Funding Strategy to the Seventh Session of the Governing Body*.¹

This document seeks the guidance of the Governing Body on implementation of the Funding Strategy of the International Treaty. Providing a summary of the various policy developments that have occurred during the biennium related to implementation of the Funding Strategy, this document also reports on progress made in implementation of the BSF.

¹ IT/GB-7/17/12

This document can be accessed using the Quick Response Code on this page; an FAO initiative to minimize its environmental impact and promote greener communications. Other documents can be consulted at <http://www.fao.org/plant-treaty/meetings/meetings-detail/en/c/888771/>



Guidance Sought

The Governing Body is invited to adopt a Resolution to provide further guidance on the implementation of the Funding Strategy, taking into account the activities and developments reported in this document, and the elements contained in the *Appendix* to this document.

I. INTRODUCTION

1. Pursuant to Article 18 of the International Treaty, Contracting Parties undertake to implement a funding strategy for implementation of the Treaty. The objective of this strategy is to enhance the availability, transparency, efficiency and effectiveness of the provision of financial resources to implement activities under the Treaty. In order to mobilize funding for priority activities, plans and programmes, the Governing Body shall periodically establish a target for such funding.

2. The Funding Strategy, which was adopted by the Governing Body at its first meeting through Resolution 1/2006,² seeks to attract financial resources from a wide of range of sources in support of Treaty implementation.³ The Governing Body has regularly provided guidance on implementation of the Funding Strategy, as one of the key operational mechanisms of the International Treaty.

3. The current biennium marks a transition towards a more programmatic and strategic approach to implementation of the Funding Strategy that is more sustainable and diversified than in the past. A number of policy developments relating to implementation of the Funding Strategy have occurred since the last session of the Governing Body. Three intersessional bodies have been active in supporting the implementation and review of the Funding Strategy during the biennium, as requested by the Governing Body:

- The *Ad Hoc* Advisory Committee on the Funding Strategy reconvened to provide the basis for the review of the Funding Strategy. Although the Committee's work only started late in the biennium, its Report provides the Governing Body with the analysis and decision-making elements needed to structure the finalization of the review;⁴
- In its Report to the Governing Body, the *Ad Hoc* Open-ended Working Group on the enhancement of the functioning of the Multilateral System provides an update on progress made to develop measures to increase user-based payments and contributions to the Benefit-sharing Fund, which is a key element of the Funding Strategy, in a sustainable and predictable long-term manner;
- The Bureau of the Seventh Session of the Governing Body provided elements of advice for the GEF in relation to the International Treaty. It also made a number of decisions regarding the design and launch of the 4th Call for Proposals of the Benefit-sharing Fund of the International Treaty.

4. A number of policy decisions relating to implementation of the Funding Strategy of the International Treaty, such as the provision of policy guidance to the Crop Trust, will be considered by

² Nevertheless, the Funding Strategy had not been completed. Four pending Annexes were subsequently adopted by the Governing Body, at its second and third meeting. For more background information on the Funding Strategy, see <http://www.fao.org/3/a-br577e.pdf>

³ The potential sources for financial resources for the Funding Strategy are described in section II of the Funding Strategy.

⁴ IT/GB-7/17/12, *Report of the Ad Hoc Advisory Committee on the Funding Strategy to the Seventh Session of the Governing Body*.

the Governing Body in other agenda items of its Seventh Session. While these various efforts are being undertaken separately, it is foreseen that they will be eventually brought together in the updated Funding Strategy that the Committee on the Funding Strategy is developing for consideration by the Governing Body.

5. In section II, this document briefly refers to the review of the Funding Strategy. The subsequent sections focus on implementation of the Funding Strategy, with section III reporting on policy developments related to resources under the direct control of the Governing Body, and section IV referring to those resources not under its direct control. A number of information documents have also been prepared to provide further background and information to the Governing Body.

II. REVIEW OF THE FUNDING STRATEGY

6. At its Sixth Session, the Governing Body decided to reconvene the *Ad Hoc* Advisory Committee on the Funding Strategy (the Committee), in order to provide a basis for the review of the Funding Strategy, with a view to enhancing its functioning, at the Seventh Session of the Governing Body, as provided in Resolution 2/2015.

7. The document *Report of the Ad Hoc Advisory Committee on the Funding Strategy to the Seventh Session of the Governing Body*⁵ describes the work undertaken by the Committee during the biennium in preparing the basis for a review of the Funding Strategy by the Governing Body. The report is structured in sections that follow the main requests made to the Committee by the Governing Body.

8. The Committee prepared draft elements for a Resolution on Enhancing the Functioning of the Funding Strategy for consideration by the Governing Body. This also provides an Annotated Outline for an Updated Funding Strategy. The draft elements provided by the Committee are to be inserted in Part I of the elements for a Resolution provided in the *Appendix* to this document.

III. IMPLEMENTATION OF THE FUNDING STRATEGY: RESOURCES UNDER THE DIRECT CONTROL OF THE GOVERNING BODY

9. This section focuses on the Benefit-sharing Fund, which is an element of both the Multilateral System of Access and Benefit-sharing and the Funding Strategy of the International Treaty. The financial resources of the Benefit-sharing Fund come under the direct control of the Governing Body. There are other funds within the Financial Rules of the Governing Body of the International Treaty that enable the provision of voluntary contributions for implementation of the International Treaty, in particular the Fund for Agreed Purposes. Further information on the use of funds within the Fund for Agreed Purposes during the biennium is provided in document IT/GB-7/17/27. The Committee on the Funding Strategy has recommended developing a programmatic approach, not only for the BSF, but also for the Trust Fund for Agreed Purposes.

10. The Benefit-sharing Fund began operating in 2009. Since then, more than USD 25 million has been mobilized for the Fund, and 61 projects have targeted 55 developing country Contracting Parties. During the biennium, the Bureau received regular reports on progress in the execution of the BSF's project cycle. The document, *Report on the Benefit-sharing Fund: 2016-2017*,⁶ provides a progress

⁵ IT/GB-7/17/12

⁶ IT/GB-7/17/Inf.5

report on activities during the biennium to the Governing Body. The following paragraphs describe some of the highlights of the biennium with regard to the BSF.

11. The *Operational Procedures for the use of resources under the direct control of the Governing Body* include, as the last step of the project cycle, an independent evaluation to be carried out at the portfolio level. At its Fourth Session, the Governing Body also adopted procedures for reporting, monitoring and evaluation.⁷ The independent evaluation of the second project portfolio was planned and carried out during the biennium 2016-2017 by an independent evaluation team that worked through the FAO Office of Evaluation (OED). It addressed issues of effectiveness and efficiency in execution of the project portfolio, as requested by the Governing Body. This is the first time that an independent evaluation has been carried out for the BSF portfolio, and that a systematic and evidence-based account of the performance of the completed projects has been compiled in a report. The evaluation report includes recommendations and lessons learned that constitute valuable inputs for the review of the Funding Strategy.⁸

12. The project portfolio funded through the third project cycle consists of 22 projects to be implemented in 44 developing countries across Africa, Asia, Europe, the Near East, South West Pacific, and Latin America and the Caribbean. The scope of projects funded remains similar to those supported in previous calls, focusing on addressing food insecurity and climate change through the management of crop genetic diversity. Window 2 projects support activities designed to ensure that locally adapted crop varieties important to food security are preserved, reintroduced, developed and maintained in farmers' fields. Window 3 projects make funding available for scientific efforts to identify specific traits and breed new varieties that tolerate climate induced stresses, eventually building the resilience of vulnerable farming communities in the targeted countries. Window 2 and Window 3 projects are mutually reinforcing and complementary in making improved and adapted genetic material and value added information available to vulnerable communities, either through on-farm conservation or through research and study of PGRFA.

13. Since the start of project portfolio implementation, the following outputs have been realized:

- 18 252 farmers, researches, breeders, gene bank curators, governmental officials, students and lecturers have been directly involved in and benefited from initiatives funded.
- An estimated 51 980 people are expected to benefit directly from implementation of the project portfolio, and at least 243 916 people will draw advantages from the scaling up and out of portfolio outcomes.
- More than 100 institutions have so far partnered in the execution of project activities, and are involved in all stages of project implementation.
- More than 4 040 varieties of target crops have been characterized by farmers and scientists, so as to analyse adaptability potential and selection; the incorporation of preferable traits for further development of improved varieties is currently ongoing.

14. The Governing Body, at its Sixth Session:

- extended the Strategic Plan for the Implementation of the Benefit-sharing Fund for the 2015-2017 biennium, to enable the continuation of work on resource mobilization, communication, promotion and the International Treaty's branding and media presence, in order to enhance funding for, and the visibility of, the Benefit-sharing Fund;

⁷ Resolution 3/2011, Annex 1. <http://www.fao.org/3/a-be453e.pdf>

⁸ IT/GB-7/17/ Inf. 18, *Report of the Independent Evaluation of the second project cycle of the Benefit-sharing Fund*

- called on Contracting Parties and others to make contributions, to a total value of at least USD 10 million, to enable the launch of the fourth project cycle of the Benefit-sharing Fund; on an exceptional basis, it decided to welcome contributions with a regional or crop priority focus.

15. The Secretariat has undertaken resource mobilization activities for the fourth project cycle of the Benefit-sharing Fund. Key activities undertaken include organizing dedicated events and visibility actions to highlight the impact and results of the Benefit-sharing Fund; exploring potential funding partnerships and regional opportunities, including with the private sector; and cultivating relationships, engaging and approaching new and existing donors for a contribution to the fourth project cycle. At the time of writing, the amount available for the Fourth Call for Proposals of the Benefit-sharing Fund stands at USD 5.5 million. The Secretariat would like to acknowledge and thank Australia, Austria, Italy, Norway, Sweden and the International Seed Federation for their contributions to the Fourth Call for Proposals in this biennium.

16. At its second meeting in March 2017, the Bureau of the Seventh Session of the Governing Body agreed to launch the Fourth Call for Proposals prior to the next session of the Governing Body, although the target had not been reached. This decision was taken to ensure that contributions secured for the Fourth Call for Proposals could be fully utilized, avoiding a scenario where funds might be withdrawn or diverted by donors due to inactivity on expenditure.

17. The *Ad Hoc* Committee of the Funding Strategy was informed of the plan by the Bureau to launch the fourth funding cycle of the Benefit-sharing Fund by the Seventh Session of the Governing Body. It requested its Co-Chairs to liaise with the Bureau to inform on progress made in updating the Funding Strategy, and to explore the possibility of using the fourth funding cycle as a bridge to transition into the proposed programmatic approach for the updated Funding Strategy. During a teleconference with the Bureau, the Co-Chairs provided a briefing on the work of the Committee. Bureau members requested to receive an updated draft of the Fourth Call for Proposal for review, as well as clarification on the differences between the fourth call and previous calls in terms of the proposed programmatic approach.

IV. IMPLEMENTATION OF THE FUNDING STRATEGY: RESOURCES NOT UNDER THE DIRECT CONTROL OF THE GOVERNING BODY

18. The Committee on the Funding Strategy considered a number of issues that relate to resources not under the direct control of the Governing Body, in the context of updating the Funding Strategy. These include the following observations:

- The Funding Strategy can be improved by having an increased focus on resources other than those provided by the Benefit-sharing Fund and the Fund for Agreed Purposes, including by addressing cooperation with other international mechanisms and improving reporting on national, bilateral and multilateral funding for the activities relevant to International Treaty implementation.
- The next phase of implementation of the Funding Strategy should aim to strengthen linkages between different funding sources and partners, by pursuing collaborative planning and co-spending opportunities, and identifying appropriate channels to make such linkages.

19. While the update of the Funding Strategy is ongoing, there are two policy developments that need to be highlighted in this section. The Crop Trust is an essential element of the Funding Strategy of the International Treaty in relation to *ex situ* conservation and availability of plant genetic resources for food and agriculture. At its Sixth Session, the Governing Body, for the first time, adopted a resolution (Resolution 8/2015) providing policy guidance to the Crop Trust. The Resolution covered different areas of policy guidance, including resource mobilization, scientific and technical matters,

Global Information System, and communication and outreach. The Crop Trust actively participated and supported the work of the Committee on the Funding Strategy during the biennium, as requested by the Governing Body. Under agenda item 22 of this Session, the Governing Body will follow up on Resolution 8/2015. The documents, *Cooperation with the Global Crop Diversity Trust⁹ and Report from the Crop Diversity Trust¹⁰* provide further information. The ongoing process to provide policy guidance to the Crop Trust in a regular and structured manner is aimed at further enhancing the relationship with the Crop Trust and improving the functioning of the Funding Strategy.

20. During this biennium, the Bureau of the Seventh Session of the Governing Body developed the *Elements of Advice for the Global Environment Facility in relation to the International Treaty on Plant Genetic Resources for Food and Agriculture¹¹*, which were requested by the Governing Body through Resolution 7/2015. The process undertaken during this biennium and its follow-up are further discussed in the *Report on cooperation with the Convention on Biological Diversity¹²*. The regular and structured provision of advice for GEF from the Governing Body, through the Convention on Biological Diversity, is another measure aimed at improving the functioning of the Funding Strategy.

⁹ IT/GB-7/17/20.

¹⁰ IT/GB-7/17/21.

¹¹ IT/GB-7/17/Inf. 15

¹² IT/GB-7/17/19.

**DRAFT RESOLUTION **/2017 –
IMPLEMENTATION OF THE FUNDING STRATEGY OF THE INTERNATIONAL
TREATY**

THE GOVERNING BODY,

Recalling Articles 13.2, 13.3, 18 and 19.3f of the International Treaty;

Recalling Resolution 2/2015 and other previous Resolutions on implementation of the Funding Strategy;

PART I: REVIEW OF THE FUNDING STRATEGY

[SEE DRAFT ELEMENTS FOR A RESOLUTION (PARAGRAPHS 1-15) PROVIDED IN ANNEX 1 OF THE DOCUMENT IT/GB-7/17/12, *REPORT OF THE AD HOC ADVISORY COMMITTEE ON THE FUNDING STRATEGY TO THE SEVENTH SESSION OF THE GOVERNING BODY*]

PART II: IMPLEMENTATION OF THE FUNDING STRATEGY

16. **Emphasizes** the importance of continuing the work on resource mobilization, communication, promotion and the International Treaty's branding and media presence to enhance funding for, and the visibility of the Benefit-sharing Fund and the Fund for Agreed Purposes of the International Treaty;
17. **Stresses** the importance of communicating the results of the projects funded under previous project cycles of the Benefit-sharing Fund, the on-going work and the expected results of the third project cycle within the framework of the broader communication strategy of the International Treaty;
18. **Thanks** the independent evaluation team and the FAO Office of Evaluation for having carried out an evaluation of the second project cycle of the Benefit-sharing Fund in accordance with the Operational Procedures of the Fund, and **emphasizes** the importance of making use of the recommendations and lessons learned arising from the evaluation in the implementation of the third and fourth project cycles of the Fund, and the review of the Funding Strategy;
19. **Welcomes** the financial contributions to the Benefit-sharing Fund made by Australia, Austria, Italy, Norway, Sweden during the 2016-2017 biennium in support of the fourth round of the Benefit-sharing Fund's project cycle;
20. **Welcomes** the financial contributions made by the International Seed Federation and the European Seed Association in support of the fourth round of the Benefit-sharing Fund's project cycle, which represent the first user-based voluntary contributions to the Fund, and **appeals** to others in the private sector, especially the seed and the food processing industries, to make similar contributions.
21. **Thanks** the Bureau of the Governing Body for having designed and launched the Fourth Call for Proposals of the Benefit-sharing Fund;

22. **Recalling** Resolution 2/2015, paragraph 7, **requests** the Secretariat to postpone preparations for a donor conference until the review of the Funding Strategy has been finalized, in order to attract more funding to the Benefit sharing Fund and the Fund for Agreed Purposes of the International Treaty.