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Item 6 of the Draft Provisional Agenda
INTERNATIONAL TREATY ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE
THIRD MEETING OF THE <i>AD HOC</i> ADVISORY COMMITTEE ON THE FUNDING STRATEGY
Rome, Italy, 16 – 17 October 2008
DEVELOPMENT OF A STRATEGIC PLAN FOR THE IMPLEMENTATION OF THE FUNDING STRATEGY

I. INTRODUCTION

1. The Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture ("the Treaty") adopted, at its First Session in June 2006, the 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 the Treaty*".¹
2. In adopting the Funding Strategy, the Governing Body, *inter alia*, recognized "*that an effective Funding Strategy is critical to the implementation of the Treaty*" and "*that the Governing Body [itself] and Contracting Parties will need to take a number of other actions to support the implementation of the Funding Strategy*".²
3. By Resolution 1/2006 the Governing Body further established an *Ad Hoc* Advisory Committee on the Funding Strategy with the task to draft priorities, eligibility criteria and operational procedures for the allocation of funds under the direct control of the Governing Body, for consideration by the Governing Body.
4. After successful completion of the Committee's work during the Treaty's first biennium, the Governing Body decided, at its Second Session, "*to reconvene the Ad Hoc Advisory Committee on the Funding Strategy providing the terms of reference for its work*".³
5. As part of these revised terms of reference the *Ad hoc* Advisory Committee on the Funding Strategy is now 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*

¹ Funding Strategy for the implementation of the International Treaty on Plant Genetic Resources for Food and Agriculture, *Appendix F*, IT/GB-1/06/Report, paragraph 1

² Resolution 1/2006, IT/GB-1/06/Report

³ IT/GB-2/07/Report, paragraph 52

professional fund raiser, for the funds under the control of the Governing Body"⁴, for consideration by the Governing Body at its Third Session.

6. The terms of reference further specify that "[t]he Committee will refer, for its work, to Resolution 1/2006 and the Ministerial Declaration adopted at the First Session of the Governing Body, and to the relevant activities and information contained in working document IT/GB-2/07/08, in particular the possible activities and measures for the implementation of the Funding Strategy contained in the Annex of that document".⁵

7. The Governing Body had considered document IT/GB-2/07/08, *Implementation of the Funding Strategy*, at its Second Session and had "generally agreed with the list of possible actions provided in the document".⁶

8. The present document sets out some initial principles to guide the development of the strategic plan for the implementation of the Funding Strategy. These principles are based upon principles set out in existing, specialized fundraising literature, documentation of the *Ad Hoc* Advisory Committee, Interim Committee for the Treaty and Open-ended Working Group on the Rules of Procedure and the Financial Rules of the Governing Body, Compliance, and the Funding Strategy. They are also based upon the experiences of, and lessons learned by, other financial mechanisms at the international level which have successfully implemented multilateral instruments, frameworks and governance processes, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, the Global Environment Facility, the Vaccine Fund of the Global Alliance for Vaccines and Immunisation, the Multilateral Fund of the Montreal Protocol on Substances that Deplete the Ozone Layer, the Global Crop Diversity Trust, and the World Heritage Fund of the UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage. The document also describes, for illustrative purposes, some possible elements of the strategic plan, which will be developed further for full consideration by the *Ad Hoc* Advisory Committee at its fourth meeting. The full draft strategic plan for the implementation of the Funding Strategy will be developed with professional support and based on the preliminary comments and discussions of the Committee members at the current meeting, for consideration by the Committee at its fourth meeting.

II. GUIDING PRINCIPLES FOR THE DEVELOPMENT OF THE STRATEGIC PLAN

9. In order for the strategic plan for the implementation of the Funding Strategy to be successful, the plan will have to follow certain guiding principles which have been identified as key criteria of success in the existing fundraising literature and practice for any financial mechanism of an international body. These principles will also ensure that the strategic plan is transparent, effective, realistic, coherent and manageable in the practical execution. It is therefore essential to set out these principles at the outset, so that they may guide the development of the strategic plan in the next meeting of the Committee and may be given practical effect in the strategic plan.

10. These principles are derived from, and respond to, certain key lessons that are to be learned from existing financial mechanisms which have been successfully established by conventions or treaties. In each case, the eventual successful capitalization of the fund or

⁴ IT/GB-2/07/Report, *Appendix D.4*

⁵ IT/GB-2/07/Report, *Appendix D.4*

⁶ IT/GB-2/07/Report, paragraph 51

funding mechanism became possible because of a combination of the following four principles:

- *Entering into the protocols of the philanthropic grant making community and discipline.* The potential donors identified in Article 18.4f⁷ form a professional community, institutional environment and social circle of their own. The professional protocols, expectations, standards and measures of credibility and success of this community differ significantly from those of governmental policy makers and technical experts in the field of plant genetic resources. Successful approaches to the donor community by other international conventions became possible because the governmental policy makers of those funds and conventions were – for the purposes of engagement with the donors - willing and able to step outside of their technical community and expertise; learn about and recognize the different professional standards and operating modes of the grant-making community; and enter into the protocols of that community in order to adjust their strategic planning to the different and relative criteria of efficiency, effectiveness and outcome-oriented delivery which characterize the donor community's expectations. The strategic plan would thus need to speak to the philanthropic grant-making community in the language and protocols that it understands and appreciates. Only then will it be realistically and effectively able to move and convince prospective donors from that community to give contributions to the Treaty's Funding Strategy. The strategic plan would thus similarly need to bridge this distance between the professional communities and institutional settings through use of appropriate vocabulary; terminology; conceptual, administrative, governance and operating frameworks; as well as positive pursuit of contacts, communication and awareness-raising about the Treaty within that community.⁸ This could best be done by a professional fundraiser or fund-raising firm from within that community.
- *Political support for the financial mechanism.* Successful approaches to donors by other international conventions and multilateral instruments were only possible, because they emphasized the broad political support for the establishment of the relevant financial mechanism. In all cases there has been a strong and persistent political commitment on part of the membership to the practical operationalization of the mechanism, that includes political outreach, promotion and follow up on part of the governments who are implementing the mechanism.⁹ This could be done in the case of the Treaty by highlighting the strong political support which numerous Contracting Parties have lent to the Treaty's Funding Strategy, particularly the voluntary contributions which Norway and other Contracting Parties have generously undertaken to make to the benefit-sharing fund as concrete and tangible expression of their commitment. The strategic plan might therefore similarly benefit from simultaneously emphasizing the strong political support of 120 Contracting Parties.

⁷ These include "the private sector, non-governmental organisations [*e.g.*, foundations] and other sources". See Article 18.4f

⁸ In her analysis of success factors for international financial mechanisms, Kummer Peiry highlights the important role of efforts to build confidence in the mechanism, convincing potential donors to contribute, and create a committed core group of persons within the sponsoring community who are willing to make a personal effort to make the mechanism operational and overcome obstacles. Kummer Peiry, K. (2006). International Financial Mechanisms - Promoting Sustainable Development and Poverty Reduction – What Makes them Successful. *Environmental Law and Policy* 36/5: 219-228.

⁹ See Kummer Peiry, K. (2006). International Financial Mechanisms - Promoting Sustainable Development and Poverty Reduction – What Makes them Successful. *Environmental Law and Policy* 36/5: 219-228.

- *Streamlined administration, management and governance of the mechanism, and multilateral accountability and governance principles.* Besides considering political support, donors also evaluate financial mechanisms with regard to how streamlined and efficient their administrative, management and governance procedures are. Donors tend to make voluntary contributions if fund-raising and operating processes of a financial mechanism are simple, rigorous, streamlined and transparent.¹⁰ The ability of the Treaty to illustrate that the Funding Strategy and its strategic plan are based on streamlined and delivery-oriented operational, administrative, management and governance procedures will positively effect the willingness of donors to make contributions and the ability of Contracting Parties to raise such voluntary contributions from the non-governmental sector. The Treaty should also at all times maintain and foreground the multilateral accountability and governance principles of the Funding Strategy, which set it apart from other mechanisms and provide it a unique comparative advantage based on the unique convening power of the Governing Body and the intergovernmental authority of 120 Contracting Parties. Since successful mechanisms have in the past emphasized the streamlined nature of their administration, management and governance, the Treaty could highlight the efficient and streamlined Operational Procedures of the Funding Strategy¹¹ and implement them in a streamlined and expedited manner in the start-up round of the project cycle, while always ensuring and foregrounding the multilateral accountability and governance principles which are the essential spirit of the Treaty.
- *Systematic investment in resource mobilization and fundraising as a highly professionally executed exercise.* Successful financial mechanisms have heavily invested in systematic, strategic, planned and proactive professional fundraising as an investment in order to generate funding available for the mechanism that is to be capitalized. In modern philanthropic grant making and fundraising, philanthropic grants function as an investment of the donor, which is the result of a professional dialogue and partnership, that also includes systematic investment and follow up on the part of the recipient mechanism into that dialogue and the development of that partnership. Thus, successful financial mechanisms of other conventions have all gone through stages of systematic, strategic and phased investment into resource mobilization prior to the successful capitalization of funds. Normally, this systematic, strategic and phased investment into fundraising includes research, scoping and feasibility studies, which result in the development of compelling case(s) for support; outreach and development of donor prospects; donor cultivation and political mobilization; establishment of appropriate mechanisms, if required; and capitalization of funds.¹² In most cases, this phased approach was implemented with the involvement of a professional fundraiser or a fundraising firm. While such investments are no guarantee and multiplied returns can never be predicted with

¹⁰ In this regard, Kummer Peiry also highlights the importance of “a structure and method of contributing that minimises procedural and administrative obstacles for contributors”. Kummer Peiry, K. (2006). International Financial Mechanisms - Promoting Sustainable Development and Poverty Reduction – What Makes them Successful. *Environmental Law and Policy* 36/5: 219-228.

¹¹ As set out in *Annex 3* of the Funding Strategy, the Operational Procedures of the Funding Strategy actually follow the principles of transparency and impartiality, simplicity and accessibility, efficiency and effectiveness.

¹² For example, the Business Plan for the Strategic Approach to International Chemicals Management (SAICM) Quick Start Programme establishes a whole list of activities as part of an overall fundraising effort, including the involvement of a professional fundraiser, the publication of achievements, and the recognition of donors. http://www.chem.unep.ch/saicm/qsp/business_plan.htm

certainty, past experience indicates that a lack of investment into effective fundraising will not lead to a successful capitalization of the mechanism.¹³

III. POSSIBLE ELEMENTS OF THE STRATEGIC PLAN

11. While the strategic plan should actually implement the guiding principles outlined above, it could include the following elements:

- goal;
- targets;
- activities;
- time schedule;
- roles and responsibilities;
- monitoring of the implementation of the strategic plan;
- cost estimates for the implementation of the strategic plan.

12. These possible elements are briefly described below for illustrative purposes. The elements of the full draft strategic plan will be developed with professional support for consideration by the Committee at its fourth meeting, based upon comments received at the present meeting. The basic mission of the strategic plan would be to achieve a fully operational and capitalized Funding Strategy providing a solid funding framework which will ensure that the long-term objectives of the Treaty are met.

a) Goal

13. The goal of the strategic plan would be to achieve the two aims of the Funding Strategy, namely:

- “*the development of ways and means by which adequate resources are available for the implementation of the Treaty*”;
- “*the transparent, efficient and effective utilization of all resources made available under the Funding Strategy*”.¹⁴

b) Targets

14. Article 18.3 of the Treaty provides that “*in order to mobilize funding for priority activities, plans and programmes, in particular in developing countries and countries with economies in transition, [...] the Governing Body shall periodically establish a target for such funding*”.

15. To be able to present a compelling case for support to potential donors, the strategic plan would have to define concrete targets. Targets could be established both for the mobilization of resources, i.e. fundraising or funding targets, and for the utilization of resources or the operation of the Funding Strategy, i.e. performance or delivery targets.

¹³ In its previous meetings, the *Ad Hoc* Advisory Committee on the Funding Strategy also “felt that professional help might be required in order to develop an effective strategy to attract voluntary funds.” IT/GB-2/07/07, *Report of the Chair of the Ad Hoc Advisory Committee on the Funding Strategy*.

¹⁴ Funding Strategy for the implementation of the International Treaty on Plant Genetic Resources for Food and Agriculture, *Appendix F*, IT/GB-1/06/Report, paragraph 2

16. The fundraising targets could be defined in absolute or in relative terms, indicating for example the intended annual increase in percentage. They could refer to the amount of funds raised, but also to the number and type of donors engaged and contributions received.

17. To be conclusive and convincing to potential donors the targets for resource mobilization should be based upon estimates of the required financial resources for achieving the objectives of the Funding Strategy. They could be further differentiated by identifying concrete objectives and corresponding resource requirements within the three priorities adopted by the Governing Body for the use of resources under the Funding Strategy.

c) Activities

18. As the Governing Body recognized in Resolution 1/2006, "*the Governing Body [itself] and Contracting Parties will need to take a number of [...] actions to support the implementation of the Funding Strategy*". Possible activities to be undertaken by the different actors to work towards the implementation of the Funding Strategy could include those listed in document IT/GB-2/07/08, as foreseen in the terms of reference of the *Ad Hoc* Advisory Committee.

19. In order to mobilize adequate resources for the Funding Strategy and taking into account the different potential sources of resources, it will be crucial for the success of the Funding Strategy to generate, in addition to the funds arising from commercial benefit-sharing under the Multilateral System, resources from other sources, including resources provided by Contracting Parties; relevant international mechanisms, funds and bodies; the private sector; non-governmental organisations and others.

20. In recognizing that the implementation of the Treaty is hinged on the availability of funds, the Governing Body, in Resolution 1/2006, actually noted "*that the Funding Strategy should seek to attract financial resources from all possible sources*" and, in accordance with Article 18.4(f) of the Treaty, the Governing Body further noted that "*voluntary contributions may also be provided by Contracting Parties, the private sector, non-governmental organisations and other sources. The Governing Body shall consider modalities of a strategy to promote such contributions, taking into account the provisions of Article 13 of the Treaty*".

21. The Governing Body also recognized "*the importance of cooperation with relevant international mechanisms, funds and bodies to the successful implementation of the Funding Strategy*" and recalled that "*under Article 18.4(a) of the Treaty, Contracting Parties shall take the necessary and appropriate measures within the Governing Bodies of relevant international mechanisms, funds and bodies to ensure due priority and attention to the effective allocation of predictable and agreed resources for the implementation of plans and programmes under this Treaty*".¹⁵

22. In light of the above, the mobilization of adequate resources for the Funding Strategy could be served both by activities aiming:

- at the development of a fundraising strategy to promote voluntary contributions to the Funding Strategy;
- and
- at supporting Contracting Parties in taking measures to ensure the effective allocation of resources for the Funding Strategy.

¹⁵ Resolution1/2006, IT/GB-1/06/Report

23. As outlined in document IT/GB-2/07/08, possible activities that could be undertaken to develop a fundraising strategy to promote voluntary contributions to the Funding Strategy could be:

- *Convening of a Brainstorming Workshop(s) to bring together selected high-level experts and decision-makers on fundraising and voluntary contributions, in order to identify strengths, weaknesses and opportunities for the Treaty and to identify elements of a strategy for the Governing Body and Contracting Parties to promote voluntary contributions;*
- *Following from the Brainstorming Workshop(s) above, creating elements of a strategy to implement Article 18 and a network of key decision-makers and experts in international funding institutions to function as advisors and ambassadors for the development of the Governing Body's strategies for mobilization of voluntary contributions. This might be formalized by the Governing Body through a high-level committee of eminent persons to promote voluntary contributions on its behalf as well as advise it;*
- *Following from the Brainstorming Workshop(s) above, developing a Strategy and Options Paper for the Funding Strategy of the Treaty on the strategies, opportunities and possible actions for promoting voluntary contributions, including options for an Action Plan to promote voluntary contributions. The Strategy and Options Paper could be reviewed by the Ad Hoc Advisory Committee, if the Governing Body decides to reconvene it;*
- *Implementing the Strategy and Options Paper through outreach to, and positive pursuing of, the identified potential sources of financial resources, and based on the outcomes of the Workshop under B.1 above as well as additional contacts and fact-finding missions with Contracting Parties, the private sector, non-governmental organisations, such as foundations, and other sources.¹⁶ For this purpose, the Governing Body may consider the possibility of authorizing the engagement of a professional fundraiser who will further coordinate the required activities;*
- *Holding consultations with the Food Processing Industries to develop a strategy by which the Food Processing Industries could make voluntary benefit-sharing contributions, including possible promotional and positive public relations mechanisms such as seal- or labelling-mechanisms which promote food products that have been subject of voluntary benefit-sharing contributions under the Treaty.*

24. Possible activities to support Contracting Parties in taking measures to ensure the effective allocation of resources for the Funding Strategy could be:

- *Defining a strategy and appropriate measures to be taken by Contracting Parties to implement Article 18.4(a); as part of the strategy, setting agreed and coordinated targets for the measures to be taken by Contracting Parties;*
- *Maintaining a Calendar of Events and list of opportunities for the promotion of the Funding Strategy by Contracting Parties, for instance, by assigning Contracting Parties to relevant institutions, with defined roles and responsibilities, including reporting, feedback and analysis. If the Governing Body decides to extend the work of the Ad Hoc Advisory Committee on the Funding Strategy, this could be coordinated by the Committee;*

¹⁶ Resolution 1/2006, paragraph 2 and 7.

- *Profiling, researching and targeting specific institutions; preparing customized fundraising material to be provided to agreed Contracting Parties responsible for the targeted institutions;*
- *Establishing high-level contacts between Contracting Parties and 10 international mechanisms, funds and bodies to ensure allocation of resources to the Funding Strategy.*

25. Once funds will be available under the direct control of the Governing Body, they will have to be managed and disbursed in a transparent, efficient and effective manner, according to the second aim of the Funding Strategy.

26. The *Ad Hoc* Advisory Committee on the Funding Strategy has already elaborated and the Governing Body has adopted, “*as annexes to the Funding Strategy, Priorities; Eligibility Criteria; and Operational Procedures for the use of resources under its direct control*”.¹⁷

27. Pursuant to these operational procedures, the operation of the Funding Strategy and the disbursement of funds under the direct control of the Governing Body will have to follow the principles of transparency and impartiality, efficiency and effectiveness, simplicity and accessibility.

28. It will be necessary to establish and maintain the required technical and administrative procedures and capacities for the receipt, management and disbursement of funds and for the management of the project cycle, including the publication of calls for proposals, the appraisal and approval of pre-proposals and project proposals, the project reporting and monitoring and the independent evaluation of projects.

29. As outlined in document IT/GB-2/07/08, the following possible activities could be undertaken to ensure the transparent, efficient and effective operation of the Funding Strategy:

- *Processing of project proposals under the Funding Strategy:*
 - *opening a call for proposals in the official languages, as decided by the Governing Body;*
 - *receiving, collecting and compiling Pre-proposals;*
 - *preparatory work for screening and response to the Pre-proposals by the Bureau according to the adopted Eligibility Criteria and Priorities;*
 - *receiving, processing and making public of project proposals submitted from approved pre-proposals;*
 - *Appraisal, ranking and making public of project proposals;*
 - *Approval of projects for funding within the project cycle;*
- *Organizing and servicing the Meetings of the Panel of Experts on Project Appraisal under the Funding Strategy:*
 - *Compile and prepare documentation on proposals received;*
 - *Organize and service the meetings of the Panel of Experts;*
 - *Follow-up on the decisions of the meeting;*
- *Monitoring and Evaluation of the individual projects and the overall programme funded by moneys under the direct control of the Governing Body, according to the monitoring and evaluation procedures established in the operational procedures of the Funding Strategy.*

¹⁷ IT/GB-2/07/Report, paragraph 45

d) Time schedule for the implementation of the strategic plan

30. In order to effectively operationalize the Funding Strategy, the strategic plan would need to be structured in the form of clear, concise and measurable work steps and milestones according to a defined time schedule. For example resource mobilization could be operationalized in a structured way in the form of rounds of calls for support, while resource utilization would be structured in the form of rounds of the project cycle.

31. The initial time horizon for the strategic plan could be of five years, according to common practice.

e) Roles and responsibilities

32. The successful implementation of the strategic plan will be dependent on the direct involvement of all relevant actors of the Funding Strategy, including the Governing Body, Contracting Parties and the Secretariat of the Treaty. The specific roles and functions of each actor would have to be spelled out in the strategic plan and the distribution and assignment of responsibilities would have to be clarified.

f) Monitoring of the implementation of the strategic plan

33. In order to monitor the progress in implementing the strategic plan, reporting and monitoring procedures could be spelled out. The monitoring of the implementation of the strategic plan would enable the Governing Body to take decisions and provide further guidance on the revision and possible adjustment of the strategic plan, including its targets and activities.

34. The monitoring of the implementation of the strategic plan could be integrated with the monitoring of the implementation of the Funding Strategy as foreseen in part VII of the Funding Strategy.

g) Cost estimates for the implementation of the strategic plan

35. The implementation of the strategic plan will have significant resource implications. To ensure the feasibility and transparency of the strategic plan, it would be necessary to estimate the costs of the planned activities.

36. Accordingly, the Committee is requested, by its terms of reference, to “*present estimates of the costs of any activities that will be included in the strategic plan*”.¹⁸

¹⁸ IT/GB-2/07/Report, Appendix D.4

IV. GUIDANCE SOUGHT

37. The guidance of the *Ad Hoc* Advisory Committee on the Funding Strategy is being sought as follows:

- i) *the Committee is invited to comment and agree on the principles which will guide the development of the strategic plan and add any further principles as appropriate;*
- ii) *the Committee is invited to provide comments and guidance for the development of the elements of the full draft strategic plan for consideration at the fourth meeting of the Committee;*
- iii) *the Committee is invited to provide any further guidance it may consider useful for the development of the strategic plan.*