



The International Treaty

ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE



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Item 9.1 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 OF THE CO-CHAIRS OF THE <i>AD HOC</i> ADVISORY COMMITTEE ON THE FUNDING STRATEGY

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- 2: Draft Strategic Plan for the Implementation of the Benefit-sharing Fund of the Funding Strategy*
- 3 and 4: Decision elements pertaining to the adoption of Annex 4 of the Funding Strategy and of the Strategic Plan for the Implementation of the Benefit-sharing Fund of the Funding Strategy*

I. INTRODUCTION

1. The *Ad Hoc* Advisory Committee on the Funding Strategy, established by the Governing Body at its First Session in Madrid in 2006 through *Resolution 1/2006*, obtained revised terms of reference, adopted by the Governing Body at its Second Session in Rome in 2007. The revised terms of reference of the Committee included the following:

“The Committee will 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. [...] The Committee will present estimates of the costs of any activities that will be included in the strategic plan.”

“The Committee will also elaborate Annex 4 of the Funding Strategy (Information and Reporting Requirements).”

2. Furthermore, the Governing Body “*noted that the Committee may, where appropriate, also promote implementation of elements of the strategic plan, prior to its consideration by the Governing Body at its Third Session, in consultation with the Secretary and the Bureau*”.

3. The Committee convened twice, i.e. from 16 to 17 October 2008, and from 12 to 13 March 2009. It selected two Co-chairs to facilitate the work of the Committee, Mrs. Ana Berretta (Uruguay) and Mr. Bert Visser (the Netherlands). The full membership of the Committee has been documented in the individual reports of these meetings. This Co-chairs’ report has been based on the individual meeting reports.

4. The Committee was supported by the Secretary of the Governing Body and the other staff members of the Secretariat. It wishes to thank the Secretariat for its excellent support.

II. GENERAL REMARKS

5. The Committee worked in good harmony and was able to make substantial progress. However, it was not able to complete all of its work. Still, with satisfaction the Committee herewith submits the following agreed draft texts for consideration and adoption by the Governing Body:

(a) *Annex 4 of the Funding Strategy, Information and Reporting Requirements under the Funding Strategy (as contained in Appendix 1 to this report);*

(b) *Strategic Plan for the Implementation of the Benefit-sharing Fund of the Funding Strategy (as contained in Appendix 2 to this report);*

(c) *Decision elements pertaining to the adoption of Annex 4 of the Funding Strategy and of the Strategic Plan for the Implementation of the Benefit-sharing Fund of the Funding Strategy (as contained in Appendixes 3 and 4 to this report).*

6. The Committee was not able to address issues related to resources not under the direct control of the Governing Body.

7. With the advice to take a creative and committed approach to funding its meetings, the Governing Body may wish to establish a Committee on the Funding Strategy and request that specific funds will be sourced for the operation of the Committee. The Governing Body may wish to consider that this Committee would work with the following terms of reference, *inter alia*:

1. To actively pursue resource mobilization in general;
2. To guide the resource mobilization effort and serve as a feedback point for the leadership of the resource mobilization effort under the Strategic Plan (Task Force);
3. To address operational aspects of the Benefit-sharing Fund, including the management of the Project Cycle;
4. To address remaining issues within the full remit of the Funding Strategy, i.e. not only the Benefit-sharing Fund but also other elements of the Funding Strategy;
5. To gather information on resources not under the direct control of the Governing Body, such as existing flows, emerging issues and identified gaps of funding through bilateral and multilateral channels, for information and reporting to the Governing Body;
6. To prepare for the monitoring and evaluation of the Funding Strategy, in accordance with its Part VII.

III. INFORMATION AND REPORTING REQUIREMENTS UNDER THE FUNDING STRATEGY

8. The Committee prepared and agreed on a draft text of *Annex 4* of the Funding Strategy, *Information and Reporting Requirements under the Funding Strategy*. Upon adoption of the draft text by the Governing Body, this will facilitate the monitoring of the implementation of the Funding Strategy and the assessment of its efficacy by the Governing Body.

9. The Committee recognized that standard formats for information and reporting need to be developed and noted that this would best be done by the Secretariat.

IV. STRATEGIC PLAN FOR THE IMPLEMENTATION OF THE BENEFIT-SHARING FUND OF THE FUNDING STRATEGY

10. At its third meeting in October 2008, the Committee felt it important to have concrete estimates for the targets of the Strategic Plan and identified the following three ways for the development of the Strategic Plan:

- the Committee requested 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 was to be commissioned by the Secretariat, subject to the availability of funds;
- a brainstorming workshop with high-level and experienced experts was to be held directly preceding the fourth meeting of the Committee, subject to its feasibility, available capacity of the Secretariat and the availability of funds.

11. Furthermore, the Committee felt it would be helpful for the further development of the Strategic Plan to engage professional fundraising services, subject to the availability of funds.

12. In pursuing these objectives, the Secretariat was able to secure the services of Community Counselling Service (CCS), based in New York, well experienced in advice on fundraising for public causes, including other UN entities. CCS prepared a document containing elements for a Strategic Plan, that was presented to the Committee at its fourth meeting in March 2009. Furthermore, the Secretariat requested and obtained information on the estimated costs of the necessary measures in the identified priorities at the national level. Finally, the Secretariat organized a one-day brainstorming workshop on 11 March 2009, entitled "How to design a successful fundraising strategy for the Treaty?", which addressed the following items:

- Experiences and lessons learned by other international financial mechanisms;
- The donors perspective;
- Characteristics of successful fundraising;
- The case for support for the Treaty and the recipients perspective.

13. These activities were prepared in close contact between the Secretariat, the Co-chairs and the Chair of the Bureau.

14. In its fourth meeting, based on its deliberations on the document prepared by CCS, the Committee agreed to submit to the Governing Body at its Third Session a Draft Strategic Plan for the implementation of the Benefit-sharing Fund of the Funding Strategy.

15. The Committee noted that the Funding Strategy of the Treaty does not only refer to the Benefit-sharing Fund but has a broader scope. It confirmed that the Strategic Plan elaborated by the Committee only refers to the Benefit-sharing Fund, recognizing that some of its principles could also be applied to other funds of the Treaty, i.e. the Core Administrative Budget and the Special Fund for Agreed Purposes.

16. The Committee further realized that the implementation of the Strategic Plan cannot be done in isolation, and cannot be realized without also addressing the other resources under the Funding Strategy, i.e. the funds in the Core Administrative Budget, funds in the Special Fund for Agreed Purposes, and the funds made available through bilateral and multilateral channels.

17. The Committee noted with concern that the Treaty is at a crucial phase of its implementation and after four years is still awaiting the implementation of Article 18.4, in particular 18.4 b and c. The Committee also noted the lack of funding in each of the three funds of the Treaty and recognized that this lack of funding was hampering efficient Treaty operations. In this context, it recommended that the Governing Body address this matter.

18. The Committee recognized the need to have more and better information available on the funds not under the control of the Governing Body, in order to complement those ongoing efforts through the Benefit-sharing Fund. The Committee noted that the Benefit-sharing Fund would be the major instrument to coordinate global investments in the management of PGRFA and to avoid fragmentation of efforts.

19. The Committee noted the interrelation between the Funding Strategy and the Business Plan, and stated that the implementation of the Funding Strategy or the Strategic Plan should not await full agreement on the Business Plan of the Treaty.

20. Recognizing that the Treaty is an independent legal instrument of States, but draws on the legal personality of FAO, the Committee was of the opinion that the fundraising effort of the Treaty should elaborate the distinctive features and comparative advantages of the Treaty and its Benefit-sharing Fund.

21. The Co-chairs of the Committee wish to highlight some of the features of the Strategic Plan, which are outlined in the remaining paragraphs of this Co-chairs' report to the Governing Body .
22. The Strategic Plan acknowledges the many and varied motivations that donors will have for contributing, including an interest in:
- Enhancing food security;
 - Safeguarding biodiversity;
 - Adaptation to climate change;
 - Science and innovation;
 - Sustainable livelihoods and income creation;
 - Local projects reaching directly the poor and vulnerable;
 - Making progress towards the Millennium Development Goals.
23. The Strategic Plan anticipates that Contracting Parties will continue to lead the way financially, with contributions from other contributors serving to broaden the Treaty's base of support and helping to communicate the importance of plant genetic resources for food and agriculture to new audiences.
24. The requirements for success of the fundraising strategy are many, including:
- Communicate effectively on the aims and achievements of the Treaty and the Benefit-sharing Fund (to reach a new and wider audience and constituency);
 - Develop a clear and compelling case for support (i.e. a motivation that can be easily recognized by potential donors and the wider public);
 - Engage effective leaders and support them at a high level (in order to open doors to new donors);
 - Implement a prospect rating and management system (for a well-guided fundraising process);
 - Set an overall objective of \$116 million over a five-year time frame, with progressively larger working targets over this period (well grounded in earlier estimations on the implementation of the Global Plan of Action for the Conservation and Sustainable Utilization of Plant Genetic Resources for Food and Agriculture, made in 1996)
 - Secure large contributions based on objective criteria (to serve as showcases and references for other potential donors);
 - Establish a robust and efficient grants management system for the Benefit-sharing Fund (to communicate that funds are transparently managed);
 - Move towards awarding a small number of much larger grants (to enhance the impact of the Funding Strategy);
 - Develop attractive and meaningful donor recognition opportunities (to share appreciation of paid contributions);
 - Resource the effort at an appropriate level (since fundraising needs substantial attention);
 - Commit to making the plan a success (send out a convincing message as the Governing Body);
25. In setting the objective, the Committee took into consideration that the Benefit-sharing Fund's first, intersessional, call for proposals for small-scale projects resulted in several hundred pre-proposals, totaling approximately USD 20 million and representing all seven regions of the Food and Agriculture Organization of the United Nations. Furthermore, it based its advice for the objective on previous estimations regarding the costs for the implementation of the six priority activity areas of the Global Plan of Action reflected in the priorities for the Benefit-sharing Fund, agreed by the Governing Body at its Second Session. These estimations were made in 1996.

V. CLOSING REMARKS

26. With this report the *Ad Hoc* Advisory Committee on the Funding Strategy has ended its work. The Co-chairs are confident that the Governing Body will recognize the need for appropriate attention to the full operationalization of the Funding Strategy and will give due attention to the advice of this Committee to continue its work in another form.

27. The Co-chairs wish the Governing Body wisdom in dealing with this central element of the implementation of the International Treaty and are confident that major steps towards the International Treaty's success can be made at the present session.

Appendix I

ANNEX 4 OF THE FUNDING STRATEGY**DRAFT INFORMATION AND REPORTING REQUIREMENTS UNDER THE FUNDING STRATEGY**

Annex 4 sets out the information and reporting requirements under the Funding Strategy of the Treaty, in order to facilitate the monitoring of the implementation of the Funding Strategy and the assessment of its efficacy by the Governing Body.

The relevant information is to be compiled by the Secretariat. The pertinent elements of the reports to the Governing Body will also be made available through the website of the Treaty.

I. Periodicity of information and reporting

Information and reporting to the Governing Body will normally be provided every two years, or according to the periodicity of the regular sessions of the Governing Body. Reporting periods will normally cover the preceding two full calendar years before meetings of the Governing Body.

II. Information and reporting on resources under the direct control of the Governing Body

The information and reporting on resources under the direct control of the Governing Body will be provided by the Secretariat and will include:

- General overview on and status of funds received and disbursed under the benefit-sharing fund¹, according to: priorities established under *Annex 1* of the Funding Strategy; beneficiaries by stakeholder groups and geographic area; and crops addressed; and other relevant criteria; in accordance with generally accepted accounting principles, and, as soon as these have been adopted by FAO, in accordance with the International Public Sector Accounting Standards.
- Detailed data on and breakdown of funds received to the benefit-sharing fund, including information on individual contributors, corresponding amounts received, provenance of funds by contributors category and regional distribution;
- Synoptic information on projects funded from the benefit-sharing fund, including project description and status, and reflecting the information generated under the project reporting and monitoring as foreseen in the project cycle in *Annex 3* of the Funding Strategy;

¹ The benefit-sharing fund will include:

- Mandatory and voluntary contributions pursuant to Article 13.2 of the International Treaty
- Voluntary contributions from any source to implement the Funding Strategy provided for in Article 18 of the International Treaty

The benefit-sharing fund will be administered through the Trust Account referred to in Article 19.3 (f) of the International Treaty.

- Assessment and evaluation of the sustainable effects and impacts of the use of resources under the direct control of the Governing Body, according to the independent evaluation procedures set out in the project cycle in *Annex 3* of the Funding Strategy;
- Assessment and evaluation of the overall operation of the benefit-sharing fund, including the receipt, administration and disbursement of funds, and the management of the project cycle;
- Emerging issues and possible measures that might be considered by the Governing Body to improve the operations of the Funding Strategy regarding resources under the direct control of the Governing Body.

III. Information and reporting on resources not under the direct control of the Governing Body

The information and reporting on resources not under the direct control of the Governing Body provided by Contracting Parties, non-Contracting Parties, international organisations with which the Governing Body has entered into agreements, and relevant international mechanisms, funds and bodies, will be compiled by the Secretariat.

- 1) Information and reporting provided according to standard formats by Contracting Parties and non-Contracting Parties will include:
 - Reporting on the results of measures taken 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 plans and programmes relevant for the implementation of the Treaty;
 - Reporting on the results of actions taken to promote voluntary contributions from sources within their country for plans and programmes relevant for the implementation of the Treaty;
 - Information on bilateral funding and assistance provided relevant to the Funding Strategy from sources within their country;
 - Information on national activities, plans and programmes for building capacity in plant genetic resources for food and agriculture, and for the conservation and sustainable use of plant genetic resources for food and agriculture.
- 2) Information and reporting provided by international organisations with which the Governing Body has entered into agreements will include:
 - Reporting on resources provided and activities undertaken in support of the implementation of the Treaty.
- 3) Information and reporting provided by relevant international mechanisms, funds and bodies will include:
 - Information on their mandates, priorities, eligibility criteria, procedures and availability of resources relevant to the support of actions for the implementation of the Treaty.

Appendix 2

**Draft Strategic Plan for the Implementation
of the Benefit-sharing Fund of the Funding Strategy**

(See document IT/GB-3/09/7 App.2)

Appendix 3

DRAFT DECISION FOR THE ADOPTION OF ANNEX 4 OF THE FUNDING STRATEGY**The Governing Body,**

[...]

Recalling that the aims of the Funding Strategy are the development of ways and means by which adequate resources are available for the implementation of the Treaty, and the transparent, efficient and effective utilization of all resources made available under the Funding Strategy;

[...]

1. **Adopts** Annex 4 of the Funding Strategy, *Information and Reporting Requirements under the Funding Strategy*.

[...]

Appendix 4

**DRAFT DECISION FOR THE ADOPTION OF THE STRATEGIC PLAN FOR THE
IMPLEMENTATION OF THE BENEFIT-SHARING FUND OF THE FUNDING
STRATEGY**

The Governing Body,

[...]

Recalling that the aims of the Funding Strategy are the development of ways and means by which adequate resources are available for the implementation of the Treaty, and the transparent, efficient and effective utilization of all resources made available under the Funding Strategy;

Recalling that the effective implementation of the Funding Strategy is critical to the implementation of the Treaty;

Emphasizing Article 18.1, as well as Articles 18.4 b and c of the Treaty;

Recognizing that successful resource mobilization requires prior adequate investment in the resource mobilization itself;

[...]

1. **Welcomes** the Strategic Plan for the implementation of the Benefit-sharing Fund of the Funding Strategy, as contained in *Appendix XX*, and agrees that this plan will function as a basis for the implementation of the Funding Strategy by the Secretariat and the Contracting Parties;
2. **Decides** to convene a Committee on the Funding Strategy, *inter alia*, to guide the resource mobilization effort; address operational aspects of the Benefit-sharing Fund, including the management of the project cycle; address remaining issues within the full remit of the Funding Strategy; gather information on resources not under the direct control of the Governing Body; and prepare the monitoring and evaluation of the Funding Strategy;
3. **Takes full note** of the Strategic Plan's section on resource and staffing implications, and **decides** to ensure that the resources required for the implementation of the Strategic Plan are allocated;
4. **Decides** to set an objective of US\$116 Million for the period between July 2009 and December 2014. This objective may be reviewed by the Governing Body on a regular basis.

[...]