



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



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

**INTERNATIONAL TREATY ON PLANT GENETIC RESOURCES  
FOR FOOD AND AGRICULTURE**

**THE FUNDING STRATEGY FOR THE IMPLEMENTATION OF THE  
INTERNATIONAL TREATY**

In October 2017, at its Seventh Session, the Governing Body of the International Treaty decided to update its Funding Strategy. This work is underway and will continue over the biennium. It is expected that the updated Funding Strategy and its related Annexes will be presented to the Eighth Session of the Governing Body in 2019 for consideration and approval.

In this interim period, a compilation of texts related to the Funding Strategy of the International Treaty is provided in this document.

Starting with Article 18 of the Treaty, the compilation contains the text of the Funding Strategy and its Annexes. The document also includes a number of procedures and standards that the Governing Body has adopted throughout time to support the implementation of the Operational Procedures of the Benefit-sharing Fund (Annex III of the Funding Strategy).

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The document also provides a number of procedures and standards that the Governing Body have adopted throughout time to support the implementation of the Operational Procedures:

*APPENDIX 1: Interim Disbursement Procedures (2011)*

*APPENDIX 2: Interim Procedures for Reporting, Monitoring and Evaluation (2011)*

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## **I.- Article 18 of the International Treaty**

### **PART VI - FINANCIAL PROVISIONS**

#### **Article 18 – Financial Resources**

18.1 The Contracting Parties undertake to implement a funding strategy for the implementation of this Treaty in accordance with the provisions of this Article.

18.2 The objectives of the funding strategy shall be to enhance the availability, transparency, efficiency and effectiveness of the provision of financial resources to implement activities under this Treaty.

18.3 In order to mobilize funding for priority activities, plans and programmes, in particular in developing countries and countries with economies in transition, and taking the Global Plan of Action into account, the Governing Body shall periodically establish a target for such funding.

18.4 Pursuant to this funding strategy:

(a) The 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.

(b) The extent to which Contracting Parties that are developing countries and Contracting Parties with economies in transition will effectively implement their commitments under this Treaty will depend on the effective allocation, particularly by the developed country Parties, of the resources referred to in this Article. Contracting Parties that are developing countries and Contracting Parties with economies in transition will accord due priority in their own plans and programmes to building capacity in plant genetic resources for food and agriculture.

(c) The Contracting Parties that are developed countries also provide, and Contracting Parties that are developing countries and Contracting Parties with economies in transition avail themselves of, financial resources for the implementation of this Treaty through bilateral and regional and multilateral channels. Such channels shall include the mechanism referred to in Article 19.3f.

(d) Each Contracting Party agrees to undertake, and provide financial resources for national activities for the conservation and sustainable use of plant genetic resources for food and agriculture in accordance with its national capabilities and financial resources. The financial resources provided shall not be used to ends inconsistent with this Treaty, in particular in areas related to international trade in commodities. ;

(e) The Contracting Parties agree that the financial benefits arising from Article 13.2d are part of the funding strategy.

(f) Voluntary contributions may also be provided by Contracting Parties, the private sector, taking into account the provisions of Article 13, non-governmental organisations and other

sources. The Contracting Parties agree that the Governing Body shall consider modalities of a strategy to promote such contributions;

18.5 The Contracting Parties agree that priority will be given to the implementation of agreed plans and programmes for farmers in developing countries, especially in least developed countries, and in countries with economies in transition, who conserve and sustainably utilize plant genetic resources for food and agriculture.

## **II.- Funding Strategy for the Implementation of the International Treaty**

### **I. OBJECTIVE**

1. The objective of the Funding Strategy is to enhance the availability, transparency, efficiency and effectiveness of the provision of financial resources to implement activities under the Treaty.

### **II. AIMS**

2. The aims of the Funding Strategy are:

2.1 The development of ways and means by which adequate resources are available for the implementation of the Treaty, in accordance with Article 18 of the Treaty. Potential sources for financial resources for the Funding Strategy will include:

- a. Financial resources provided by developed country Contracting Parties, which Contracting Parties that are developing countries and countries with economies in transition avail themselves of, through bilateral and regional and multilateral channels;
- b. Financial resources for priority activities, plans and programmes relevant to the implementation of the Treaty provided by relevant international mechanisms, funds and bodies;
- c. Financial resources for national activities for the conservation and sustainable use of plant genetic resources for food and agriculture, in accordance with each Contracting Party's national capabilities and financial resources;
- d. Financial resources resulting from the sharing of monetary benefits arising from the commercialization of plant genetic resources for food and agriculture under Article 13.2d(ii) of the Treaty;
- e. Voluntary contributions from Contracting Parties; the private sector, taking into account the provisions of Article 13, non-governmental organisations and other sources.
- f. Financial resources provided through the Regular Programme of FAO.

2.2 The transparent, efficient and effective utilization of all resources made available under the Funding Strategy, noting that the financial resources provided shall not be used to ends inconsistent with this Treaty, or with other relevant international agreements.

### **III. PRIORITIES**

3. Priorities for support under the Funding Strategy are established, in accordance with the guidance contained in Article 13.4 of the Treaty, to ensure a balanced approach to the implementation of the Treaty, in particular the conservation and sustainable use of plant genetic resources for food and agriculture.

4. The initial priorities will be the priority activity areas of the rolling *Global Plan of Action for the Conservation and Sustainable Utilization of Plant Genetic Resources for Food and Agriculture*, for further development by the Governing Body.

5. Benefits arising from the use of plant genetic resources for food and agriculture that are shared under the Multilateral System should be used for the conservation and sustainable use of Plant Genetic Resources for Food and Agriculture.

#### **IV. RESOURCES UNDER THE DIRECT CONTROL OF THE GOVERNING BODY**

6. Resources under the direct control of the Governing Body include those listed in paragraphs 2.1d-f above.
7. The Governing Body decides on the allocation of funds under its control on the basis of preparatory work of the Secretariat and, in addition, where appropriate, with the assistance of the *Ad Hoc* Advisory Committee;
8. The Governing Body will decide, if appropriate, in due time, on procedures which allow for the allocation of funds by subsidiary bodies to project activities, including the inter-sessional allocation of funds, taking into account the budgetary implications of such decisions.
9. To be eligible for a disbursement, applicants and proposals must meet the criteria set out in *Annex 2* of this document.
10. Operational procedures regarding the receipt and management of these resources, and regarding the receipt of applications for disbursements, the selection of projects for funding, the granting of disbursements and the monitoring of projects funded, are at *Annex 3* of this document.

#### **V. RESOURCES NOT UNDER THE DIRECT CONTROL OF THE GOVERNING BODY**

11. Resources not under the direct control of the Governing Body include those listed in paragraphs 2.1a - c above. These resources may be allocated to crops in *Annex 1* of the Treaty, as well as to other crops not listed therein, in particular to under-utilized crops.
12. A number of international mechanisms, funds and bodies, provide resources in support of activities of relevance to the implementation of the International Treaty. All such funding bodies are encouraged to ensure that due priority and attention is given to the effective allocation of predictable and agreed resources in support of the implementation of the International Treaty. They are invited to use, as appropriate, the priorities identified at *Annex 1* of this document when allocating resources in support of the Implementation of the Treaty, within the context of their mandates.

#### **VI. PROVISION OF INFORMATION RELEVANT FOR THE FUNDING STRATEGY**

13. Information on the mandates, policies, eligibility criteria and procedures of such funding bodies will be collected and maintained by the Secretariat of the International Treaty and made available to Contracting Parties through the website of the Treaty. The facilitating mechanism for the implementation of the *Global Plan of Action* could complement this activity by collecting and providing information on relevant available funds from the Parties.

## **VII. MONITORING**

14. The Governing Body shall monitor the implementation of the Funding Strategy and assess its efficacy through the information, audit and reporting requirements identified in *Annex 4* of this document.

## **VIII. COOPERATION WITH THE COMMISSION ON GENETIC RESOURCES FOR FOOD AND AGRICULTURE**

- 15 Cooperation between the Governing Body and the Commission on Genetic Resources for Food and Agriculture should, as appropriate, facilitate the implementation of the supporting components of the Treaty, in particular, the *Global Plan of Action for the Conservation and Sustainable Utilization of Plant Genetic Resources for Food and Agriculture*.

## **IX. REVIEW**

16. The Governing Body will review this Funding Strategy, including the annexes thereto, once every second regular session or whenever necessary.

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### **LIST OF ANNEXES TO THE FUNDING STRATEGY<sup>4</sup>**

**ANNEX 1:** Priorities for the Use of Resources under the Funding Strategy

The initial priorities will be the priority activity areas of the rolling *Global Plan of Action for the Conservation and Sustainable Utilization of Plant Genetic Resources for Food and Agriculture*, for further development by the Governing Body.

**ANNEX 2:** Eligibility Criteria for the Use of Resources under the Direct Control of the Governing Body:

**ANNEX 3:** Operational Procedures for the Use of Resources under the Direct Control of the Governing Body

**ANNEX 4:** Information and Reporting Requirements under the Funding Strategy

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<sup>4</sup> Annexes 1 to 3 of the Funding Strategy were adopted by the Governing Body at its Second Session in Rome as contained in Appendix D of the Report IT/GB2/07/Report while Annex 4 was adopted at its Third Session in Tunis by Resolution 3/2009 and included in Annex 1 to Appendix D.3

## **ANNEX 1: PRIORITIES FOR THE USE OF RESOURCES UNDER THE FUNDING STRATEGY**

**Taking the rolling Global Plan of Action as a framework, the Governing Body will use the funds at its disposal in the benefit-sharing fund strategically, to play a catalytic role in international cooperation in the area of plant genetic resources for food and agriculture. It will:**

1. Lay the basis for the coherent development of the Funding Strategy.
2. Augment its impact, improve its visibility, and increase transparency in the project selection process.
3. Focus on critical conservation and sustainable use activities in developing countries not adequately funded elsewhere.
4. Avoid duplication of work and take advantage of synergies, including synergies that mobilize greater resources in the overall Funding Strategy.
5. Develop its funding strategy in such a way as to attract voluntary contributions to the benefit-sharing fund.

**Within the priority areas of the Global Plan of Action, the Governing Body will focus on achieving benefits, in a staged process, in the pressing priority areas, identified for a limited period of time. The next iteration of the rolling Global Plan of Action will be important in the identification of future priorities. Based on consultations with Contracting Parties, the initial priorities will be:**

1. Information exchange, technology transfer and capacity-building (reflecting Global Plan of Action priority activities 15 and 19),
  - a. *Building strong national programmes is essential for capacity-building in developing countries and furthering the implementation of the Treaty. It is a prerequisite for sustainability of efforts to strengthen and develop national capacities in the conservation and utilization of plant genetic resources for food and agriculture.*
  - b. *Expanding and improving education and training in developing countries is a sine qua non, in order to build capacity. Education and training is a long-lasting investment in the sustainable management of the diversity of plant genetic resources for food and agriculture in developing countries.*
2. Managing and conserving plant genetic resources on farm (reflecting Global Plan of Action priority activity 2);
  - a. *Supporting on-farm management and conservation of plant genetic resources for food and agriculture is the most direct way of reaching farmers, indigenous and local communities in developing countries to whom benefits should flow. It forms a strong contribution to the maintenance of on-farm diversity of plant genetic resources for food and agriculture. Only by strengthening these efforts can on-farm management of diversity complement ex situ conservation.*
3. The sustainable use of plant genetic resources (reflecting Global Plan of Action priority activities 9, 10, and 11);
  - a. *Expanding the characterization and evaluation of collections is necessary to promote and facilitate their use. More complete characterization and*



*evaluation will increase the relevance of germplasm held ex situ and on farm for breeding.*

- b. Diversification of crop production, genetic enhancement and broadening the genetic base of crops will directly contribute to increasing the sustainability of agricultural production. This will lessen dependence on external inputs, increase productivity, and respond to the challenge of climate change.*

**ANNEX 2: ELIGIBILITY CRITERIA FOR THE USE OF RESOURCES UNDER  
THE DIRECT CONTROL OF THE GOVERNING BODY**

Projects must:

1. Meet the objectives of the International Treaty.
2. Fall within the priorities that will, from time to time, be established by the Governing Body.
3. Benefit Contracting Parties that are developing countries.
4. Be presented through the Contracting Party or Parties concerned.

## **ANNEX 3: OPERATIONAL PROCEDURES FOR THE USE OF RESOURCES UNDER THE DIRECT CONTROL OF THE GOVERNING BODY**

### **I. Principles**

These operational procedures<sup>1</sup> are based on the following principles:

- Transparency and impartiality.
- Simplicity and accessibility.
- Efficiency and effectiveness.
- Quality and technical merit.

### **II. Project Cycle**

The Governing Body delegates the authority for the execution of the project cycle during the biennium to the Bureau. There will normally be a new round of the project cycle every biennium.

The independent Panel of Experts will conduct the screening of pre-proposals and appraisal of pre-proposals.

The Helpdesk, will support applicants in the preparation of pre-proposals and full project proposals in the applicants' Treaty languages.

The project cycle will consist of:

1. Opening a call for proposals
  - a. issued by the Governing Body, in the official languages of the Treaty, and containing relevant information and procedures – priority areas; submission forms for pre-proposals and project proposals; eligibility, appraisal and screening criteria; timing and deadlines; expected funds available; crops addressed; requirements to projects funded by the Governing Body; main legal and financial provisions of project agreements;
  - b. advertisement on the Treaty website and through the national focal points and relevant regional bodies;
  - c. responsibility: prepared by the Secretariat, under the guidance of the Bureau.
2. Submission of pre-proposals
  - a. in any of the Treaty languages, plus, where necessary, a translation to a working language;
  - b. according to an agreed format and within agreed deadlines;
  - c. target: 2-3 pages;
  - d. addressing the screening criteria;
  - e. responsibility: Contracting Parties or legal or natural persons,<sup>2</sup> in consultation with the Contracting Party or Contracting Parties in question. The formal submission should be by Contracting Party or Parties in question to the Secretary of the Governing Body;
3. Screening and response to pre-proposals

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<sup>1</sup> The Operational Procedures for the use of resources under the direct control of the Governing Body were originally adopted by the Governing Body at its Second Session. At its Fifth Session, the Governing Body reviewed and adopted the Operational Procedures currently in place.

<sup>2</sup> 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 International Treaty, may apply for funding under the Benefit-sharing Fund.

- a. according to screening criteria published in the call – eligibility criteria and relevant criteria established as part of the call for proposals;
  - b. response to be provided within agreed timelines;
  - c. in accordance with the Policy of Conflict of Interests;
  - d. responsibility for the responses: Bureau, on the basis of preparatory work by the independent Panel of Experts;
  - e. The Bureau might work through email, and make its final decisions in a regular meeting, as far as possible, keeping the list of approved pre-proposals short.
4. Submission of project proposals from approved pre-proposals
  - a. in any of the Treaty languages, plus, where necessary, a translation to a working language;
  - b. according to an agreed submission form of project proposals and within agreed deadlines;
  - c. addressing the appraisal criteria;
  - d. recipient and channels of payment will be identified;
  - e. list of submissions to be made public;
  - f. Helpdesk to be provided to support preparation of proposals, in all Treaty languages;
  - g. Helpdesk to focus on Contracting Parties that have special needs, including small island developing states;
  - h. responsibility: Contracting Parties or legal or natural persons, in consultation with the Contracting Party or Contracting Parties in question. The formal submission should be by Contracting Party or Parties in question to the Secretary of the Governing Body.
5. Appraisal of project proposals
  - a. ranking of project proposals according to appraisal criteria published in the call;
  - b. portfolio of project proposals meeting the requirements prepared for approval within agreed deadlines;
  - c. portfolio to be made public;
  - d. in accordance with the Policy of Conflict of Interests;
  - e. responsibility: a panel of experts designated, from a Roster, by the Bureau in consultation with their Regions. The independent Panel of Experts will work without remuneration with resources provided under the core administrative budget for any meeting necessary. Terms of Reference of the Panel to be made public.
6. Approval of projects for funding within the project cycle
  - a. according to the funds at the disposal of the Governing Body in that project cycle and the recommendations of the independent Panel of Experts;
  - b. according to additional possible considerations, such as geographical balance;
  - c. in accordance with the Policy of Conflict of Interests;
  - d. portfolio to be made public;
  - e. responsibility: Bureau.
7. Signature of project agreements and disbursement
  - a. disbursement according to procedures adopted by the Governing Body;
  - b. project agreements providing relevant legal and financial provisions and requirements from the Governing Body;
  - c. responsibility: Secretary and senior management of executing institutions.
8. Reporting and monitoring
  - a. according to procedures adopted by the Governing Body;
  - b. responsibility: The executing entity develops the monitoring products and deposits them with the Secretary.

9. Independent Evaluation
  - a. use of standard evaluation procedures based on norms and standards of the United Nations Evaluation Group;
  - b. evaluation of the sustainable effects and impacts of projects or groups of projects, providing accountability on results and aiming at facilitating the further development of the Funding Strategy;
  - c. evaluation of the components of the Funding Strategy addressed under this annex will be periodically commissioned by the Governing Body;
  - d. according to evaluation procedures adopted by the Governing Body;
  - e. responsibility: the Governing Body.

### **III. Selection Criteria**

This section of the Operational Procedures provides a general framework of selection criteria being used in the appraisal of project proposals. The precise criteria for appraisal of project proposals in each round of the project cycle will be published in the Call for Proposals.

1. Project relevance
  - a. Are the priorities of the Funding Strategy and the strategic principles and priorities established by the Governing Body for the allocation of funds at its disposal clearly incorporated and represented in the proposed goals and expected outputs of the proposal?
  - b. Does the project contribute to poverty alleviation and environmental sustainability?
  - c. What is the relevance of the project to a country's or region's priorities in its plans and programmes for PGRFA? What information is available on such priorities?
2. Feasibility
  - a. Is the proposed activity feasible in terms of resources and timing? In particular, is the budget adequate to fully cover the proposed activities and produce the expected results?
3. Effectiveness and efficiency
  - a. Are the anticipated project costs warranted against the expected project results and benefits?
4. Benefits and beneficiaries
  - a. Who are the immediate beneficiaries?
  - b. Will the results of the proposed project, directly or indirectly, reach the proposed beneficiaries?
5. Team composition and capacity
  - a. Can the capacity of the team be considered sufficient? Does the team include partners with different disciplines?
  - b. Does the project proposal foresee use of available local expertise?
6. Collaboration
  - a. What is the extent of collaboration promoted by the project proposal?
  - b. Does this collaboration contribute to the effectiveness and efficiency of the project?
  - c. Is there counterpart funding or input in kind by the applicant?
7. Planning and Monitoring
  - a. Have proper milestones and indicators been incorporated in the project proposal?
  - b. To what extent is the expected positive impact measurable?
8. Sustainability
  - a. Are the activities and beneficial changes introduced by the project sustainable?
  - b. Is technology transfer and capacity building realized?
  - c. Has a training component been incorporated?
9. Geographic extension
  - a. How wide is the geographic scope and impact of the proposed project?
  - b. What is the global and/or regional importance of the project in achieving the objectives of the Treaty?

10. Crop relevance

- a. What is the contribution of the crop or crops, for which activities are proposed, to global or regional food security and sustainable utilization?
- b. What is the relevance of the crop or crops, for which activities are proposed, to the quality and diversity of the human diet or animal feed?
- c. Is the project addressing the conservation and/or utilization of a crop in one of its centres of diversity?
- d. To what extent is the gene pool covered by the proposed project activities threatened at a national, regional or global level?

## **ANNEX 4: 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 fund<sup>8</sup>, 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;
- 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;

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<sup>8</sup>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.

- 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.



## **OPERATIONAL PROCEDURES: APPENDIX I**

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### **INTERIM DISBURSEMENT PROCEDURES**

#### **1. Background**

Based on Article 19.3 (h) of the Treaty, the Governing Body has established a Trust Account to receive financial contributions to the Benefit-sharing Fund. In accordance with the Financial Rules of the Governing Body, the Trust Account of the Benefit-sharing Fund is administered by FAO and its accounts and financial management are subject to the policies and procedures of FAO.

#### **2. Implementation of the interim disbursement procedures**

The implementation of these interim disbursement procedures shall be in line with the Financial Rules of the Governing Body and consistent with existing FAO financial rules and procedures, as well as other applicable FAO rules and procedures.

#### **3. Procedural steps for disbursement of funds**

a) The terms and conditions of disbursement will be set forth in the project agreements. The project agreements will include, *inter alia*:

- a schedule for the disbursement of funds in tranches based on time specific milestones;
- a requirement for an *Implementation Report* from the implementing entity prior to each tranche disbursement.
- a provision authorizing non-payment if project delivery fails.

Responsibility: the Secretary of the Governing Body will develop the project agreements following the FAO template for Letters of Agreement.

b) Payments will be made in the following phases:

- a. An initial payment to follow signature of the project agreement.

Responsibility: the Secretary of the Governing Body will authorize the initial payment.

- b. Interim payments, dependent upon receipt and acceptance of *Implementation Reports*, which includes a financial statement of expenditures signed and certified by a duly designated representative of the executing entity and relevant supporting documentation.

Responsibility: the executing entities will submit *Implementation Reports* to be accepted by the Secretary before authorizing any new payment.

- c. A final payment, dependent upon receipt and acceptance of a *Terminal Report*, which includes a final financial statement of expenditures signed and certified by a duly designated representative of the executing entity and relevant supporting documentation.

Responsibility: the executing entities will submit a *Terminal Report* to be accepted by the Secretary before authorizing the final payment.

***INTERIM PROCEDURES FOR REPORTING, MONITORING AND EVALUATION***<sup>7</sup>

**1. Objectives**

Monitoring and evaluation have the following overarching objectives:

- a. Promote accountability for the achievement of priorities established by the Governing Body through the assessment of results, effectiveness, processes, and performance.
- b. Promote learning, feedback, and knowledge sharing on results and lessons learned, as a basis for decision-making on policies, strategies, programmes, and project management.

**2. Procedural steps for reporting, monitoring and evaluation of projects**

The following minimum steps shall be applied to reporting, monitoring and evaluation during the project cycle.

***1. Submission of project proposals: design of a monitoring and reporting plan***

- b. A concrete monitoring and reporting plan is included in the full project proposal by the time a project proposal is submitted for appraisal by the panel of experts;
- c. the plan contains:
  - milestones for project implementation;
  - logical framework and indicators for results (outcomes, outputs);
  - baseline for the project, with a description of the problem to be addressed;
  - organizational set-up and budgets for monitoring and evaluation.
- d. the plan is developed according to the templates for project proposals that are attached to the invitation to prepare a full project proposal.
- e. Responsibility: Executing entities, following the format for project proposals prepared by the Secretary.

***2. Development of project agreement: monitoring products related to payment schedule***

- a. The project agreement provides a detailed reporting schedule based on *Implementation* and *Terminal Reports*, to which the payment schedule is linked.
- b. The schedule for delivering monitoring products is standard for projects under each window of the Call for Proposals 2010.
- c. Responsibility: the Secretary develops the project agreement following the FAO's template for Letters of Agreement.

***3. Project implementation: application of monitoring and reporting plan***

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<sup>7</sup> Appendix II of the Operational Procedures for the use of resources under the direct control of the Governing Body.

- a. The implementation of the monitoring and reporting plan comprises, as a minimum:
  - targets for implementation that are actively used, unless a reasonable explanation for their unapplicability is provided;
  - indicators for results that are actively used, unless a reasonable explanation for their unapplicability is provided;
  - data are compiled to assess progress; and,
  - the organizational set-up is operational and funds are spent as planned.
  
- b. *Implementation Reports* are submitted periodically to the Secretary according to a reporting schedule with milestones included in the project document and to include:
  - *Financial Reporting component*, including a periodical audited financial statement to the Secretary on the use of received funds.
  - *Result Reporting component*, including a periodical report on progress and results for all activities.
  
- c. A *Terminal Report* summarizes key successes and challenges for the future, and includes a financial report.
- d. Backstopping missions are carried out, where necessary, including to capture the views of stakeholders and identify solutions to obstacles in project implementation.
- e. Responsibility: Secretary prepares templates for *Implementation* and *Terminal Reports*. Executing entities develop the monitoring products and submit them to the Secretary who arranges backstopping missions in cooperation with multilateral agencies.

#### ***4. Independent Evaluation***

- a. A terminal independent evaluation of the project portfolio is conducted at the end of the project cycle.
- b. The minimum requirements for such evaluation are:
  - compliance with norms and standards of the United Nations Evaluation Group.
  - assessing at a minimum:
    - the achievement of outputs and outcomes, and provide ratings for targeted objectives and outcomes;
    - the sustainability of outcomes after project completion, with a scale of rating;
  
- c. The minimum contents of the terminal evaluation report are:
  - basic data on the evaluation:
    - when the evaluation took place,
    - who was involved,
    - the key questions, and
    - the methodology;

- basic data on the project, including expenditures from the Benefit-sharing Fund and other sources;
  - lessons for broader applicability; and,
  - the terms of reference of the evaluation (in an annex).
- d. The independent evaluation shall be based on visits to the locations of a sample of projects and other mechanisms, such as interviews, questionnaires, focus group discussions.
  - e. The evaluation report shall be submitted to the Secretary within a reasonable time after termination of the projects.
  - f. The evaluation report shall contain findings and recommendations and will be made public through the website.
  - g. Responsibility: the evaluation team is lead by independent experts not involved with the projects and the Benefit-sharing Fund. An approach paper and Terms of Reference for evaluation are prepared by the Secretary and the FAO Evaluation Office. The evaluation report is reviewed, if needed, by the evaluation office of the implementing entity. The evaluation team is solely responsible for the independent evaluation report.

## **5. Roles and responsibilities of intersessional bodies**

The *Ad Hoc* Advisory Committee on the Funding Strategy provides the Secretary and the Bureau with advice on the monitoring of the project portfolio funded in the second round of the project cycle.

The Bureau of the Governing Body may request information related to the monitoring and evaluation from the project portfolio to the *Ad Hoc* Advisory Committee. The *Ad Hoc* Advisory Committee will inform the Bureau of any issues arising from the monitoring and evaluation that may require the guidance from the Governing Body, so that the Bureau can take it into account in the preparations for the next Session of the Governing Body.

At any stage of the project implementation, the *Ad Hoc* Advisory Committee may recommend that the Bureau consider the suspension or cancellation of a project due to any of the following reasons: (a) financial irregularities in the implementation of the project; (b) material breach and poor implementation performance leading to a conclusion that the project can no longer meet its objectives. Before the *Ad Hoc* Advisory Committee on the Funding Strategy makes its recommendation whether to suspend or cancel a project, the entity executing the project will be given a fair chance to present its views.

## **OPERATIONAL PROCEDURES: APPENDIX III**

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### ***POLICY ON CONFLICTS OF INTEREST AND RELATED STANDARDS OF CONDUCT FOR THE BENEFIT-SHARING FUND***

#### **A. COVERAGE**

1. This policy applies to any member of intergovernmental or expert bodies involved in the screening of pre-proposals or the appraisal or approval for funding of project proposals by the Benefit-sharing Fund.
2. It is the responsibility of each individual covered by this policy to observe its terms. Individuals who are covered by this policy will normally be notified of this, but if any individual is in doubt as to its application to her or him, she or he should verify with the Secretary. Any individual or institution not covered by this policy that considers there may be an actual or potential conflict with any pre-proposal or proposals should refer such case to the Secretary. The Secretary will inform the Chair or Co-Chairs of the relevant intergovernmental or expert body.
3. Partners and other institutions involved in the operations of the Benefit-sharing Fund and its project cycle should avoid entering into cases of conflict of interest when structuring the partnership with the Fund and making their contributions to the project cycle. They should acknowledge at all times that the Benefit-sharing Fund is under the direct control of the Governing Body.

#### **B. GENERAL PROCEDURE**

##### ***When a conflict arises***

4. This policy relies on each individual to consider whether she or he may have, or be perceived to have, any actual or potential conflict with any proposal that is being considered by the Benefit-sharing Fund.
5. Examples of a conflict of interest are:
  - To be actively involved in the future execution of the project, in particular as part of the project staff or team;
  - To be employed by the same institution as the applicant institution or its partners in the project implementation;
  - To work closely with the applicant institution or its partners in the project implementation, for example as a co-author or PhD Supervisor, or to have worked closely in the last 4 years;
  - To hold a current position on the governing body of or an honorary position with the applicant institution or its partners in the project implementation;
  - To receive personal remuneration from the applicant or its partners in the project implementation;
  - To entertain personal/family relationship with any of the project staff or team.

6. The above list of examples is not exhaustive. These are only intended as examples and not as a complete or exhaustive list. Conflict situations may include situations beyond those indicated above that an individual is required to declare under this policy;
7. In considering whether a conflict arises, an individual should treat the interests of anyone with whom the person subject to this policy has a significant personal relationship as if they were the individual's own interests. This will include any partner, anyone living in the same home and anyone whose financial affairs the individual has responsibility for;

***General procedure for managing conflicts***

8. If an individual has an actual or potential conflict of interest in any pre-proposal or proposal that is being considered by the Benefit-sharing Fund:
  - (1) the individual should disclose the conflict to the Secretary in writing;
  - (2) the individual must abstain from any decisions relating to that pre-proposal or proposal. In particular:
    - (a) she or he shall not be involved in the process of screening of the pre-proposal, appraisal or approval of a project proposal;
    - (b) she or he shall not receive any documentation relating to that pre-proposal or project proposal;
    - (c) she or he shall not take part in any decisions taken in relation to such a pre-proposal or proposal; and,
    - (d) she or he shall abstain from the relevant part of any meeting where the pre-proposal or proposal is considered;
    - (e) she or he shall be replaced by another representative from the Region, whenever possible.
9. All individuals serving under any capacity in the process of screening the pre-proposals, appraisal or approval of project proposals, are required to facilitate the management of any potential or actual conflict of interest, as the Secretary may require. Any dispute about whether a conflict may exist may be referred to the Chair of the Governing Body for a decision or, in the case of disputes relating to a Chair of the Governing Body in that capacity, to one of the Vice- Chairs of the Governing Body.

***Policy for funding in relation to members of intergovernmental or expert bodies***

10. The following policy for funding of the activities of members of decision-making committees shall apply:
  - (1) Members of intergovernmental or expert bodies may continue to hold any funding they hold from the Benefit-sharing Fund at the time of appointment.
  - (2) Members of intergovernmental or expert bodies involved in a new round of the project cycle shall abstain from applying for new funding under such round.

## C. CODE OF CONDUCT

### *Advice on pre-proposals and proposals*

11. Members of intergovernmental or expert bodies involved in the screening of pre- proposals or the appraisal or approval for funding of project proposals by the Benefit-sharing Fund may be asked to provide general support, mentoring and guidance to colleagues in applicant institutions that may be seeking funding from the Benefit-sharing Fund. There is no objection to this support being provided, nor to members sharing publicly available information about the policies or procedures of the Benefit-sharing Fund, if requested. Members shall not disclose any non-public available information, such as details of proposals or rating by experts of individual proposals.
12. If a member is approached for specific advice (including technical advice) on an application to the Fund, the member may provide such advice (subject to the restriction in paragraph 11 above) but shall disclose this fact to the Secretary. The member will be regarded as having a conflicting interest in that application.

### *Discussions outside meetings*

13. A member shall not, prior to a meeting of an intergovernmental or expert body, discuss any pre-proposal or project proposal which is to be considered at that meeting with any other member responsible for the consideration of that pre-proposal or project-proposal. If a member has any such discussion, she or he must report this to the Secretary at, or before the start of the meeting.

### *Confidentiality of pre-proposals or proposals, and decision-making*

14. The contents of papers and correspondence relating to pre-proposals and project proposals are strictly confidential. Members of intergovernmental or expert bodies also have the right to expect that the Treaty Secretariat and other members will treat their comments with confidentiality. Accordingly, all members of the intergovernmental or expert bodies:
  - (1) Shall keep papers secure and not disseminate them to anyone.
  - (2) Shall not discuss pre-proposals or project proposals with anyone else (including colleagues based at the member's host institution and referees) without prior permission from the Secretary.
  - (3) Shall keep the identity of applicants and experts assigned to individual pre-proposals or proposals confidential at all times.
  - (4) Shall not discuss with applicants, either in connection with the applicants' own pre-proposal or project proposal or any other application, or anyone else any aspect of the deliberations or recommendations regarding an application. Feedback will be provided as appropriate by the Secretariat. Members shall refuse any requests for information or for an explanation of how a particular decision was reached – all such requests must be referred to the Secretariat.
15. Members of intergovernmental or expert bodies who are approached by individuals or organizations for information on the status or outcome related to their specific pre-proposals or project proposals should always refer all such enquiries to the Secretariat.