



<b>Item 5 of the Draft Provisional Agenda</b>
<b>INTERNATIONAL TREATY ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE</b>
<b>SEVENTH MEETING OF THE <i>AD HOC</i> ADVISORY COMMITTEE ON THE FUNDING STRATEGY</b>
<b>Geneva, Switzerland, 18-20 September 2012</b>
<b>DEVELOPMENT OF PARTNERSHIPS ARCHITECTURE FOR THE BENEFIT-SHARING FUND</b>

## **I. Introduction**

1. This document provides information on the role of partnerships and collaborations in further streamlining the implementation architecture of the Treaty's Benefit-sharing Fund. The document also sets out the rationale behind the development of these partnerships and the procedure followed for the identification and selection of partners.

2. Whilst partnerships development is an on-going process, the primary account of (potential) partners described in this document is on those partners with whom partnership agreements have already been formalized or are in the advanced stages of being formalized. These partners are:

- The International Fund for Agricultural Development (IFAD)
- The United Nations Environment Programme (UNEP) and
- The United Nations Development Programme (UNDP).

3. These partnerships and collaborations are intrinsic to the operation of the BSF and this should be taken into account in the review of the Operational Procedures of the BSF

## **II. Background**

4. By Resolution 8/2009, the Governing Body "requested the Secretariat to foster cooperation with other organizations and strengthen existing cooperative arrangements with a view to developing synergies and reducing inefficiencies". At its fifth meeting, the *Ad Hoc*

Advisory Committee on the Funding Strategy (the Committee) “requested the Secretariat to continue surveying for further potential partners of the Fund with relevant organizations”.<sup>1</sup> Consequently, the Secretary sent letters to relevant organizations, requesting them to provide information if they were interested in partnering with the Benefit-sharing Fund (BSF) of the Treaty.

5. Following the letters issued by the Secretary, expressions of interest were received from a number of organizations, namely: FAO, the Global Crop Diversity Trust (GCDDT), the International Fund for Agricultural Development (IFAD), the United Nations Office for Project Services (UNOPS), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and Oxfam International (Oxfam). Following these expressions of interest in the Fund from numerous international organizations, the Governing Body, at its Fourth Session, “*note[d] with appreciation* the expressions of interest by FAO, the Global Crop Diversity Trust, IFAD, UNDP, UNEP, UNOPS, CATIE, Oxfam Novib and the World Bank to support the further operationalization of the Benefit-sharing Fund.”<sup>2</sup>

6. At its fifth and sixth meetings, the Committee received presentations from IFAD, UNOPS and UNDP. The Committee requested the Secretary to fully engage in establishing the partnership with IFAD and to further explore the partnership with UNOPS, recognizing that other agencies including IFAD and UNDP can provide similar services. The Secretary proceeded accordingly and, at its Fourth Session, the Governing Body “*welcome[d]* the progress made toward Memoranda of Cooperation with IFAD and UNDP to support the further development of the Benefit-sharing Fund and the overall implementation of the Treaty”.<sup>3</sup>

7. The Committee recommended enhancing “the effectiveness of the operation of the BSF... by relying on designated implementation entities to provide services related to project formulation, supervision and implementation”.<sup>4</sup> It also requested the Secretary “to continue exploring options for partnerships with multilateral institutions that provide similar services for other multilateral funds and have a recognized capacity for project and financial management, are present in the field and can support co-funding of projects funded by the BSF.”<sup>5</sup>

8. Furthermore, at its Fourth Session, the Governing Body “*request[ed]* the Secretary to continue establishing partnerships with relevant international organizations as well as bilateral donors to support the Benefit-sharing Fund.”<sup>6</sup> Consequently, the Secretary has continued to explore partnerships with the UNEP, the GEF and other potential partners, who also expressed interest in partnering with the Treaty on the implementation of the Benefit-sharing Fund.

---

<sup>1</sup> ACFS-5/10/Report, *Report of the Fifth Meeting of the Ad Hoc Advisory Committee on Funding Strategy*.

<sup>2</sup> Resolution 3/2011, paragraph 28, Report of the Fourth Session of the Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture

<sup>3</sup> Resolution 3/2011, paragraph 29, Report of the Fourth Session of the Governing Body

<sup>4</sup> ACFS-6/10/Report, *Report of the Sixth Meeting of the Ad Hoc Advisory Committee on Funding Strategy*.

<sup>5</sup> ACFS-6/10/Report, *Report of the Sixth Meeting of the Ad Hoc Advisory Committee on Funding Strategy*.

<sup>6</sup> Resolution 3/2011, paragraph 30, Report of the Fourth Session of the Governing Body

9. In conclusion, following the experience gained to date, the Governing Body, in Resolution 3/2011, “[a]cknowledge[d] the importance and value of building partnerships with international organizations, on a non-exclusive basis, to enhance the impact of the Benefit-sharing Fund, including with regard to resource mobilization and Fund programming, and the effectiveness of the Fund’s operation, including by relying as much as possible on designated implementing entities”.<sup>7</sup>

### **III. Benefits of the partnership approach**

10. A number of benefits have been identified as inherent in adopting the partnership approach to the implementation of the BSF. These include:

- i) Direct contributions towards the BSF: Partnership could lead to the availability of additional resources for future rounds of Calls for Proposals (CFPs) of the BSF.
- ii) Risk Management: An expanding portfolio of benefit-sharing projects means increased risk associated with the management of a multi-million dollar fund. The Secretariat does not wish to have the task, and with its current setup does not have the capacity to manage this risk and is seeking the support of partners to take over responsibilities of project cycle management in a transparent, effective, efficient and sustainable manner.
- iii) Working with national level entities: Developing projects with local partners thus ensuring local ownership whilst building national capacities in the process, in line with the principles of Aid Effectiveness.
- iv) Joint resource mobilization: Partnering with well established, globally recognized partners could provide access to additional funding streams for the BSF whilst enhancing the long-term stability and credibility of the Fund.
- v) High quality project implementation: Maintenance of highest quality standards in implementation of BSF projects is crucial for the future of the Fund. Implementation of high quality projects would enhance the reputation of the Fund as a high impact, results-oriented instrument and contribute towards building donor confidence in the fund and benefiting the Contracting Parties through demonstrated results in the field.
- vi) Co-financing: Further enhancing the impact of the projects through additional investment in approved projects in the form of financial or in-kind contributions as well as lowering the overhead costs in certain areas due to well established presence of partners at the country level.
- vii) Enhanced impact and sustainability of projects: Linking projects to broader initiatives and adopting an integrated approach towards development assistance

---

<sup>7</sup> Resolution 3/2011, paragraph 25, Report of the Fourth Session of the Governing Body

thus insuring that projects funded continue to deliver results long after the completion of the funding cycle.

- viii) Responsiveness to Contracting Parties' wishes, needs and guidance: In cases where specialized capacity is needed for a specific CFP or window, which is focussed on a particular thematic area, specialized, round-specific partnerships could be established to provide capacity and expertise from partners who have distinct technical expertise in that specialized area. Such round-specific supplements to the permanent implementation architecture of the BSF could be done *ad hoc* with the guidance of the Committee as part of the design of the individual round of the project cycle and implemented through *ad hoc* partnership arrangements for that round, without requiring the full long-term partnership development process with Governing Body review and approval.

11. For the ability of the BSF to dynamically implement the Contracting Parties' priorities and guidance through a partnership approach, a distinction could thus be made between formalized long-term partnerships, which form part of the permanent implementation architecture of the BSF and go through the formalized process of approval by the Governing Body (or, in case of inter-sessional delegation, the Bureau), and *ad hoc* partnerships which supplement the implementation capacity for an individual round of the project cycle and which can be added with the guidance of the Committee when designing the CFP and the round in addition to the standard implementation capacity. , These additional arrangements would address any specialized, round-specific aspects of an individual CFP or window, and can be plugged into the implementation capacity of the Fund as needed for a given round of the project cycle.

12. Such an approach would maximize the benefits of the partnership approach by providing the Fund with a permanent, stable, reliable and high-quality implementation architecture for its project portfolio while at the same time maintaining the dynamic nature of the Fund and its responsiveness to the needs of Contracting Parties as reflected in the CFPs.

#### **IV. Update on Development of Partnerships and Collaborations**

13. The Secretary followed the prioritization of partnership development which was provided by the *Ad Hoc* Advisory Committee on the Funding Strategy.

14. The development of partnerships is a highly context-driven, case-sensitive, complex and case-by-case specific exercise, where the building of each partnership depends on a wide variety of shifting institutional, programmatic, financial and management factors. Depending on a variety of factors, therefore, the development of different partnerships evolves at different speeds.

15. In the Treaty's spirit of transparency and multilateralism, it is important that Contracting Parties receive information at every stage of the partnership development process. However, in order to also ensure that the Treaty maintains its dynamic responsiveness to partnership opportunities, especially in view of the complexity and fluidity of the process of partnership development, it would be important to provide the space and

flexibility to the Secretariat to advance the process of partnerships development at least to a stage where certain key elements of the possible collaboration are identified. This would allow the Secretariat to provide the Contracting Parties with detailed and well-structured information on potential opportunities, in order to seek guidance and advice from the Committee for next steps.

16. The management of the BSF portfolio by the Treaty Secretariat directly would require a sizeable increase in the number of Secretariat staff, which, in the long run, would not be a sustainable solution. Therefore, the Secretariat has always maintained that this is a task that it does not wish to undertake and that will, in the medium term, be beyond its capacity. The most logical way forward in this scenario is the partnerships approach, whereby reputed partners take over the responsibility of implementation and project management of the BSF portfolio. While this will in the long term significantly reduce required project management capacities in the Secretariat, it needs to be understood that the development and maintenance of these partnerships requires detailed and intensive work and also has financial implications for the Treaty Secretariat, albeit significantly less than the BSF portfolio management costs. These costs should therefore be taken into account to ensure that the Secretariat has the necessary resources available to successfully undertake this task. On balance, the Committee might thus wish to consider that the long-term benefits – both financial and programmatic - derived from these partnerships, far outweigh the short-term development costs.

#### **International Fund for Agricultural Development (IFAD)**

17. Following the participation of IFAD in the sixth meeting of the *Ad Hoc* Advisory Committee on the Funding Strategy, the Committee recommended to the Secretary to fully engage in establishing a partnership with IFAD. The Secretary subsequently met with the President of IFAD, Dr. Kanaio Nwanze, and initiated discussions on an IFAD partnership and contribution, based on the elements approved by the Governing Body, and as advised by the Committee at its sixth meeting. Following several rounds of discussions, it was agreed that IFAD would contribute One million, five hundred thousand US Dollars (USD 1.5 million) towards the second round of the Call for Proposals of the Benefit-Sharing Fund. The Secretariat further explored the possibility of long term collaboration with IFAD, that is, beyond the current round of the call for proposals. However, IFAD indicated that a longer-term partnership, leading to regular contributions towards the BSF, would be dependent on the successful implementation of the current project portfolio. In this regard, the agreement between ITPGRFA and IFAD provides the framework of cooperation in the context of the Second Round of the funding cycle of the BSF. The sum of USD 1.5 million has already been transferred from IFAD to the Benefit-sharing Fund's trust account and has been disbursed to the beneficiaries of the benefit-sharing projects approved by the Bureau of the Fifth Session of the Governing Body for the second round of the project cycle.

#### **United Nations Environment Programme (UNEP)**

18. In 2011, UNEP expressed its interest to partner with the BSF. The Governing Body, at its Fourth Session, noted with appreciation the expression of interest by UNEP to support the operationalization of the BSF. Following the Governing Body's guidance, the Secretary met with the Executive Director of UNEP and initiated discussions on a collaboration

framework, based on the elements approved by the Governing Body, and as advised by the Committee at its sixth meeting. Given UNEP's wider interfaces with the International Treaty, the partnership development has resulted in a broader scope of foreseen cooperative activities in other areas of the work of the Treaty.

19. UNEP has subsequently sent a signed MoU to the Treaty to enhance technical and strategic collaboration in the field of biodiversity. The focus of this collaboration is on the conservation and the sustainable use of plant genetic resources for food and agriculture and the fair and equitable sharing of the benefits arising out of their use.

20. Additionally the MoU identifies UNEP as a Multilateral Implementing Entity of the Benefit Sharing Fund of the Treaty and it is envisaged that UNEP will implement a part of the BSF portfolio in the future rounds of its funding cycle

### **United Nations Development Programme (UNDP)**

21. UNDP was invited to participate in the fifth meeting of the *Ad Hoc* Advisory Committee on the Funding Strategy following their expression of interest to partner with the BSF. UNDP's interest in collaborating with the BSF was welcomed by the Committee.

22. UNDP subsequently submitted eight "nested" project proposals to the BSF for funding in the second round of the BSF funding cycle. After going through the screening and appraisal process, in accordance with established procedures, six of these projects were approved by the Bureau. The Treaty Secretariat and UNDP, in the spirit of the partnership, have been able to jointly secure funds to finance four out of the six projects, in addition to the agreed co-financing to be provided by UNDP for these projects. The remaining two approved projects were not funded by the BSF due to a lack of funds. However, UNDP has indicated that it will fund one of these projects through its own core funds, whilst the remaining project would have to be withdrawn, in addition to the fact that the broader programme within which it was "nested" had yet to commence.

23. UNDP has re-iterated its commitment towards the partnership, which will focus on the implementation and management of high quality projects funded by the BSF and co-financed by UNDP, as well as jointly exploring additional funding opportunities including participation in cultivation events. In addition, UNDP has agreed to reduce its management fees for all future projects from a standard 12% to 7% which is a significant cost saving and further enhances the "value-added" of this partnership. In order to formalize the engagement between the two entities, a formal exchange of letters is being prepared which covers the broader aspects of the partnership arrangement, and which will provide the framework for engagement until the Memorandum of Understanding is finalized and signed.

## **V. Process for the Establishment of Partnerships**

24. The process of initiation and formalization of the engagement by the International Treaty and the BSF with potential partners has typically followed the following standard steps or stages:

- Initial identification of partners: This identification process involves desk-based research, provisional partnership prospecting, initial contacts and exploratory discussions, discussions

at relevant meetings or events, inviting the organisations to Treaty events to showcase their work etc.

- Identification of common strategic objectives: Once the organisation is identified, a careful review of its mandate and strategic objectives is undertaken to ascertain the possibility of an alliance.
- Identification of areas of collaboration: This involves detailed and intensive discussions with the potential partners to identify possible areas for collaboration.
- Assessment of “value added”; The next step in further defining the potential partnership involves identifying synergies and how each partner could benefit from a collaboration.
- Guidance from the Contracting Parties on further development of the partnership; At this stage once the basic parameters of a potential partnership are identified, guidance, clearance and advice is sought from the Committee to further develop the partnership.
- Articulation of results and clear definition of roles and responsibilities of each partner: A key step in the partnership development process, that normally involves detail-intensive consultations, is focused on defining mutually agreeable partnerships objectives and results as well as defining the role of each partner. This also includes developing a system for regular partnership review, joint event hosting, joint resource mobilization, if relevant, etc.
- Preparation of draft Memorandum of Understanding (MoU): This process also involves detailed consultations and requires a significant amount of time and effort to conclude. Legal teams from both organizations are included in the discussion to ensure that the draft agreement adheres to the operational rules and procedures of both partners.
- Submission of the draft Memorandum of Understanding to the Bureau: Once the legal teams provide clearance on the content of the draft MoU, it is then shared with the Bureau for final approval
- Signing of the agreement between the partner institution and the Treaty.

25. If the Committee so agrees, these steps could form the basic elements of a standard procedure and cooperation framework for the establishment of those partnerships which form part of the permanent implementation architecture of the BSF and they could, based on inter-sessional delegation from the Governing Body to the Bureau of the Fifth Session, be submitted to the Bureau for its review. These would be supplemented by the *ad hoc* partnership arrangements which could be added by the Committee as needed for specialized needs of individual rounds of the project cycle.

## **VI. Roadmap for Further Development of Partnerships**

26. Developing and maintaining partnerships is key to the future growth of the Benefit-sharing Fund. Careful consideration therefore needs to be given to the further development of partnerships in order to derive the maximum benefit from them.

27. In the medium term, partnership agreements should be concluded with a set of partners, each with specific complementary strengths and capabilities. This will lead to the establishment of a pool of partners that can take over the responsibilities of project management and monitoring, thus significantly reducing the workload of the Treaty Secretariat as well as enhancing accountability and quality control functions.

28. Careful consideration would need to be given to the possible allocation of resources to partners. This would be particularly relevant in cases where a specific window is established in the CFP, focussed on a thematic area, in which the partner has a distinct advantage in terms of technical and implementation capacity.

29. In summary, the strategy should focus on ensuring the transparent and efficient management of the fund through partners in the medium term whilst ensuring that they work with national institutions to enhance their capacity in the long term, to manage, implement and monitor the projects directly. Such an approach would lead to a gradual shift towards implementation through national institutions as their capacity to manage the funds develops further. This will minimize the risk for the BSF as well as ensure that the BSF operates along the lines of the globally agreed principles of aid effectiveness.

## **VII. Guidance sought**

30. The views of the Committee are being sought on:

- i) the further development of the partnerships already established to date and the development of additional partnerships for further evolution of the BSF, for implementation by the Secretariat;
- ii) the partnership arrangements for round-specific, customized implementation capacity for the next call for proposals and its round of the project cycle of the BSF; and
- iii) the elements of a standard procedure and cooperation framework for the establishment of partnerships which will form part of the permanent implementation architecture of the BSF as well as for ad hoc partnership arrangements for individual CFPs and rounds of the project cycle.