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



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**Item 9.1 of the Provisional Agenda**

**FOURTH SESSION OF THE GOVERNING BODY**

**Bali, Indonesia, 14-18 March 2011**

**REPORT OF THE CO-CHAIRS OF THE AD HOC ADVISORY  
 COMMITTEE ON THE FUNDING STRATEGY**

*Note by the Secretary*

- i) *By Resolution 3/2009, the Governing Body decided to reconvene the Ad Hoc Advisory Committee on the Funding Strategy with Terms of Reference as contained in Annex 2 to this Resolution.*
- ii) *According to the Terms of Reference, the Committee comprises up to two members nominated by each Region and two Co-chairs, one from a developing country Contracting Party and one from a developed country Contracting Party will be elected from the members of the Committee.*
- iii) *The Committee hold two meetings, as decided by the Governing Body, the first one on May 2010 and the second one on October 2010.*
- iv) *The present document contains the Report of the Co-chairs of the Committee, outlining its main discussions and recommendations to the Bureau and the Secretary on the operation of the Benefit-sharing Fund and remaining issues within the full remit of the Funding Strategy of the International Treaty.*
- v) *The Governing Body is being invited to note the Co-chairs Report.*

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## I. INTRODUCTION

1. The *Ad Hoc* Advisory Committee on the Funding Strategy was established by the Governing Body at its First Session in 2006 through Resolution 1/2006.<sup>1</sup>

2. The Governing Body at its Third Session decided to reconvene the Committee, with Terms of Reference as contained in *Annex 2* of Resolution 3/2009. The Terms of Reference included the following:

- i) to advise the Bureau and the Secretary on resource mobilization efforts, including on innovative approaches;
- ii) to advise the Bureau and the Secretary on the operation of the Benefit-sharing Fund, including on the disbursement and reporting procedures;
- iii) 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, in particular resources not under the control of the Governing Body; and
- iv) to advise on the monitoring of the implementation of the overall Funding Strategy and on the assessment of its efficacy<sup>2</sup>.

3. The Committee convened twice, i.e., from 26 to 27 May 2010, and from 13 to 15 October 2010. It selected two Co-chairs to facilitate the work of the Committee, Messrs Bert Visser (the Netherlands) and Gabriel Bellon (Uruguay). Mr Bellon was not able to attend the sixth meeting of the Committee, and therefore, Mr Fabiano Soares from Brazil was elected as the second Co-chair for the sixth meeting of the Committee.

4. 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.

5. 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.

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<sup>1</sup> IT/GB-1/06/Report

<sup>2</sup> IT/GB-3/09/Report

## II. GENERAL REMARKS

6. The Committee worked in full harmony on its agenda and was able to make substantial progress according to its Terms of Reference.
  
7. Highlights of the work of the Committee include advise on the following areas:
  - i) Resource mobilization;
  - ii) Profiling and branding of the Fund;
  - iii) Design of the Call for Proposals 2010;
  - iv) Review of the preparatory work for screening the pre-proposals;
  - v) Advice on the establishment of a Helpdesk function to facilitate the design process of high- quality proposals;
  - vi) Support for the establishment of the Panel of Experts for the appraisal of project proposals;
  - vii) Development of partnership strategies to support the implementation of the Benefit-sharing Fund;
  - viii) Preparation of a strategic and result-driven mid-term programme for the Benefit-sharing Fund;
  - ix) Establishment of procedures and institutional arrangements for reporting, monitoring and evaluation of projects and disbursement of funds;
  - x) Advice on the autonomy and self-administration of the Benefit-sharing Fund in the context of the review of statutory bodies of FAO; and,
  - xi) Future role of the Committee.

## III. RESOURCE MOBILIZATION EFFORTS

8. The Governing Body welcomed at its Third Session the Strategic Plan for the Implementation of the Benefit-sharing Fund of the Funding Strategy, which establishes a resource-mobilization target of US\$116 million to be raised between July 2009 and December 2014.

9. According to the Terms of Reference of the Committee adopted by the Governing Body at its Third Session, it shall “advise the Bureau and the Secretary on resource mobilization efforts, including on innovative approaches”<sup>3</sup>.

10. The Committee recommended the following with regard to resource mobilization efforts:

- i) Commit appropriate time and resources to resource mobilization success;
- ii) Foster long-term relationships with donors and promote multi-year investments;
- iii) Ensure that appropriate capacity is built in the Secretariat of the Treaty on resource mobilization;
- iv) Raise the profile of the Fund among high-level decision makers, including at the ministerial and agency levels, and the levels of chief executive officers in the private sector and foundations (CEO) level;
- v) Emphasize the important role Contracting Parties have in resource mobilization that should remain to be the principal investors in the Benefit-sharing Fund;
- vi) Invest in a communication and media strategy to achieve a mainstream media and public profile for the Treaty and the Benefit-sharing Fund, including branding of the fundraising strategy under the title “Leading the Field”;
- vii) Further explore innovative approaches and take initiatives in engaging donors, including with the private sector;
- viii) Create and cultivate direct relationships with donors through customized contribution frameworks;
- ix) Promote country-led and high-level cultivation events to engage and give full recognition to donors and prompt investment announcements; and
- x) Prepare specific materials to garner support from the private sector and foundations.

11. As Co-chairs of the Committee, we are pleased to inform the Governing Body that the implementation of the Strategic Plan is on track according to the timelines established in the Plan. With committed funds that could currently reach a total of USD 11,032,358, the Strategic Plan target of raising USD 10 million by December 2010 has already been exceeded but significant work is still essential to realize the final goal of raising USD 116 million. A large number of prospects from the main different investor groups have been actively engaged. Investments have been secured from Spain (USD 2.2 million), Italy (USD 1.2 million), Australia (USD 870,000), Ireland (USD 659,800), Canada<sup>4</sup> (USD 1,190), the United Nations Development Programme (up to USD 4.5 million) and the commitment from Norway of 0.1% of seeds sales in perpetuity and the International Fund of Agricultural Development (USD 1.5 million). The Committee wants to

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<sup>3</sup> IT/GB-3/09/Report, Resolution 3/2009 Implementation of the Funding Strategy

<sup>4</sup> Canadian voluntary contribution to the Benefit-sharing Fund for a triticale line that was commercialized

thank the voluntary contributions made and wishes to highlight that the most important goal in resource mobilization is a continuation of top of tier investments from Contracting Parties.

12. In responding to the challenge of combining focused resource mobilization and prospect cultivation efforts with a general investment in the communication and media strategy of the Treaty, the Committee informs the Governing Body that the brand name *Leading the Field* has been used for the Benefit-sharing Fund as part of this communication and media strategy.

13. It also calls the attention of the Governing Body for the advantages of joint activities of the Treaty and the Global Crop Diversity Trust to present a joint package to donors on plant genetic resources for food and agriculture, including both *ex situ* conservation and on-farm management and sustainable use of these resources. It appeared that joint activities have the potential to clarify the complementarities of the Treaty and the Trust to prospective donors.

#### IV. OPERATION OF THE BENEFITS-SHARING FUND

##### *Call for Proposals 2010*

14. The Bureau of the Fourth Session of the Governing Body requested the Committee's advice, in particular on the execution of the Benefit-sharing Fund's project cycle during the biennium 2010/2011, on the basis of preparatory work done by the Secretariat, including the engagement of the necessary expert advice<sup>5</sup>.

15. The advice given by the Committee, on the basis of the expert advice provided by high-level international experts, namely Dr Geoff Hawtin, Dr Roberto Acosta, Prof. M.S. Swaminathan, Dr Bala Ravi Sekhara Pillai and Dr David Hegwood was fundamental for the design of the Call for Proposals 2010. The Committee was the main intergovernmental body directly interacting with the experts that advised the Secretary with regard to the Call.

16. The work of the Committee on the Call for Proposals 2010 included relevant elements such as:

- i) the expected funds to be allocated for the Call for Proposals 2010;
- ii) the thematic focus of helping ensure sustainable food security by assisting farmers to adapt to climate change through a targeted set of high impact activities on the conservation and sustainable use of plant genetic resources for food and agriculture;

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<sup>5</sup> IT/GB-4 Bureau/1/10/Report, paragraph 17

- iii) the adoption of two windows, one for the development of Strategic Action Plans and the other one for the implementation of Immediate Action Projects;
- iv) the establishment of a Helpdesk function concerned with providing information and technical support to applicants to assist them to develop project proposals, including a coaching function;
- v) the elaboration of specific priorities and criteria for screening the pre-proposals;
- vi) the definition of the timeline from the opening of the Call for Proposals 2010 until the approval of proposals at the Fourth Session of the Governing Body; and
- vii) the elaboration of an outreach plan to disseminate the Call for Proposals 2010 as widely as possible.

17. The Committee made itself available to support the work of the Bureau in screening the pre-proposals submitted within the Call for Proposals 2010 and the Bureau accepted the Committee's proposal. The Committee allowed sufficient time for review of the set of pre-proposals at an overall level at its sixth meeting. It reviewed the evaluation made by the Secretariat of the 58 eligible pre-proposals submitted under Window 1 and 200 eligible pre-proposals submitted under Window 2 and recommended the Bureau a list of pre-proposals to be invited to present full project proposals. It also proposed measures to improve quality of the pre-proposals of regions weakly represented in the pre-proposal round, possibly caused by language barriers and organizational weaknesses.

18. The Co-chairs request the attention of the Governing Body for the high response levels from most of the Regions and that the advice provided to the Bureau was based on the eligibility and screening criteria adopted for this project cycle.

#### ***Mid-term Programme of the Benefit-sharing Fund***

19. Enabling farmers to enhance food security through adapting to climate change is an objective of immense importance driving medium and long term activities to be conceived and implemented within a strategic framework. In this context, the Committee believes that a programmatic approach better allows reviewing impact and lessons learned, and facilitates enhancing partnerships with international organizations and the scaling up of activities as soon as more funds become available.

20. The Committee recommended the Secretary to engage the experts that had advised in the design of the Call for Proposals 2010 to prepare a strategic, result-driven and concise programme document based on the *Expert advice* paper. The document will be ready for discussion by the Governing Body at its Fourth Session.

21. The Committee concluded that the recommended mid-term programme does not imply broadening or modifying the three agreed priorities of the Benefit-sharing Fund. Rather it constitutes a responsive, consistent and specific implementation of the agreed priorities with the aim of increasing the Fund's identity and positive impact on the response to global challenges, and priorities of current and potential donors.

### *Institutional arrangements and procedures*

22. According to the Terms of Reference approved by the Governing Body at its Third Session, the Committee shall "advise the Bureau and the Secretary on the operation of the Benefit-sharing Fund, including on the disbursement and reporting procedures".<sup>6</sup>

23. The Committee stressed the importance of establishing procedures and institutional arrangements to monitor and evaluate projects funded by the Benefit-sharing Fund and to effectively disburse funds to project recipients. It also emphasized that these procedures and institutional arrangements should enhance the operation of the Benefit-sharing Fund by promoting accountability and facilitating the assessment and dissemination of results and impacts achieved as well as by identifying lessons learned from projects. Furthermore, having an efficient monitoring and evaluation framework will be vital for assessing project quality and will enable further resource mobilization.

24. The Committee recommends that the procedures retain sufficient flexibility to respond to the evolving needs of the Governing Body and its Benefit-sharing Fund, and should not burden applicants with an overly complex amount of monitoring, evaluation or auditing.

25. It emphasized the importance of integrating the auditing of projects more clearly into these procedures and advised to explore different options regarding the mechanisms and costing of monitoring, evaluation and auditing, recognizing that the Benefit-sharing Fund is in its starting phase and there are economies of scale to consider in undertaking these activities. For example, at least some of these activities could be undertaken for part or all of the projects of a given project cycle and paid through an overall overhead for these activities from the budget of the Benefit-sharing Fund. Another possibility is to reflect the costs of these activities into the budget of the full project proposal. Either way, the purpose should be to keep the fees for project cycle management as low as possible.

26. It also noted the importance of the Immediate Plan of Action of the FAO Independent External Evaluation (IEE) regarding the level of self-administration and self-financing of Article XIV bodies and the need to customize the procedures of their functional mechanisms in order to efficiently fulfil their functional needs.

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<sup>6</sup> IT/GB-3/09/Report, Resolution 3/2009 Implementation of the Funding Strategy

27. The Committee noted the importance of potential partnerships with other relevant international organizations to support the development and implementation of the Benefit-sharing Fund, building the credibility of the Fund and bringing in a new constituency and a wider network of stakeholders to support the development of the Benefit-sharing Fund. The Committee has so far been the main intergovernmental body directly interacting with potential partners such as UNDP, IFAD, UNOPS. However, the Governing Body must retain full responsibility and autonomy for the execution of the project cycle, including the approval of projects to be funded.

28. The Committee recommended to enhance as much as possible the effectiveness of the operation of the Benefit-sharing Fund, including by relying on designated implementing entities to provide services related to project management, monitoring and evaluation.

#### ***Partnerships with relevant organizations for the implementation of the Benefit-sharing Fund***

29. The Committee is pleased to inform the Governing Body on the expression of interest of the United Nations Development Programme (UNDP), the Global Crop Diversity Trust (GCDDT), the International Fund for Agricultural Development (IFAD), the United Nations Organization for Project Services (UNOPS) and Oxfam Novib to support the Benefit-sharing Fund, representing a positive step towards the implementation of the Fund, especially when they include investments in the calls and capitalization of the Fund.

30. Particularly, the Committee wishes to convey to the Governing Body the interest that has been expressed by UNDP in working with the Benefit-sharing Fund to help small farmers to adapt to climate change (“to stay ahead of the climate change curve”) and their investment of US\$10 million to this work in the context of the Fund, as well as their intention to support joint resource mobilization efforts, strategic policy advice and operation of selected projects, including disbursement, monitoring and reporting.

31. It also wishes to inform the Governing Body on IFAD’s pledge of USD1,5 million under the Call for Proposals 2010 which will probably be channeled through Bioversity International to the Benefit-sharing Fund trust account.

### **V. IMPLEMENTATION OF THE FUNDING STRATEGY**

32. According to the Terms of Reference adopted by the Third Session of the Governing Body, the Committee shall “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, in particular resources not under the control of the Governing Body”<sup>7</sup>

33. The Committee reviewed provided advice on the monitoring of implementation of the Funding Strategy and particularly on resources not under the direct control of the Governing Body, including from: Contracting Parties and non-Contracting Parties; international organizations that have entered into agreements with the Governing Body of the Treaty; and relevant international mechanisms, funds and bodies. It noted that recognition of all activities under the full remit of the Funding Strategy, including those undertaken by the Global Crop Diversity Trust, would raise the profile of the Treaty, and allow for a careful recognition of the gaps and shortcomings of the Funding Strategy.

34. The Committee emphasized the importance of the provision of information by Contracting Parties and Non-Contracting Parties on resources not under the direct control of the Governing Body, and suggested the Secretariat to strengthen its efforts to extract appropriate information, including from Contracting Parties. It also wants to highlight the importance of collaboration between the Benefit-sharing Fund and the Global Crop Diversity Trust and the need to further enhance the synergies between them and strength the cooperation with FAO and its Commission on Genetic Resources for Food and Agriculture.

## VI. CLOSING REMARKS

35. With this report, the Co-Chairs have summarized the main outcomes of the work of the *Ad Hoc* Advisory Committee on the Funding Strategy during the last biennium. The Committee understands that it has fulfilled the Terms of Reference agreed by the Governing Body.

36. The Committee had a constructive and productive preliminary discussion on its possible future role. It highlighted the importance of the future work in subsequent inter-sessional processes to facilitate the operation of the Benefit-sharing Fund, which is to be understood as one of the core elements of the Treaty, and for the implementation of the Funding Strategy. It also identified three tasks that would need to be undertaken regularly during the next inter-sessional periods:

- i) oversight of the project cycles of the Benefit-sharing Fund, in particular project management, monitoring and evaluation;
- ii) oversight of the resource mobilization; and the
- iii) establishment and implementation of partnerships with relevant international institutions in the broader remit of the Funding Strategy

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<sup>7</sup> IT/GB-3/09/Report, Resolution 3/2009 Implementation of the Funding Strategy

37. The Committee recognized that the Governing Body will need to discuss its possible future role in the general context of the future work of the different Committees *vis-à-vis* the work of the Bureau. The Committee felt that the earlier and suggested new mandates constitute a substantial agenda warranted by the importance of the Funding Strategy, that cannot be simply absorbed by other bodies.