



The International Treaty  
ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE



FOURTH SESSION OF THE GOVERNING BODY

Bali, Indonesia, 14 – 18 March 2011

RESOLUTION 3/2011

IMPLEMENTATION OF THE FUNDING STRATEGY OF THE TREATY

**THE GOVERNING BODY,**

**Recalling** Resolution 1/2004 by which the Governing Body adopted the Funding Strategy;

**Recalling** Articles 13.2, 13.3, 18 and 19.3f of the International Treaty;

**Recalling** that the Governing Body, at its Third Session, welcomed the *Strategic Plan for the implementation of the Benefit-sharing Fund of the Funding Strategy* and agreed that this Plan constitutes a basis for resource mobilization for the Benefit-sharing Fund by the Secretariat and the Contracting Parties, with a target of mobilizing US\$ 116 million between July 2009 and December 2014;

**Commending** that the implementation of the Fund through voluntary contributions is ahead of the target established in the *Strategic Plan for the Implementation of the Benefit-sharing Fund*;

**Welcoming** the official recognition of the Benefit-sharing Fund of the Treaty as an Adaptation Funding Mechanism under the Adaptation Funding Interface of the UN Framework Convention on Climate Change (UNFCCC) and the dissemination of the Call for Proposals 2010 by the Executive Secretary of the Convention on Biological Diversity;

**Recalling** that, at its Third Session, it requested the Secretary to develop disbursement, reporting and monitoring procedures for the operation of future project cycles, including by following advice from the *Ad Hoc* Advisory Committee on the Funding Strategy; and to continue collaborating with international organizations in the further development of operational procedures;

**PART I: RESOURCE MOBILIZATION FOR THE BENEFIT-SHARING FUND**

1. **Welcomes** the excellent progress in the implementation of the *Strategic Plan*, which has exceeded the target of mobilizing US\$ 10 million in the first eighteen months, and that these

funds are now available for the second round of the project cycle of the Benefit-sharing Fund;

2. **Warmly thanks** the governments of Australia, Canada, Ireland, Indonesia, Italy, Norway, Spain and Switzerland for their voluntary contributions to the Benefit-sharing Fund and expresses its gratitude for their support to the International Treaty;
3. **Warmly welcomes** the establishment of partnerships with IFAD and UNDP that have facilitated, *inter alia*, the mobilization of additional financial resources in support of the second round of the project cycle of the Benefit-sharing Fund;
4. **Thanks** the High-level Task Force for resource mobilization for its support to the Benefit-sharing Fund and **requests** it to continue active support of the Fund;
5. **Commends** the Secretary for having spearheaded the successful resource mobilization efforts and **requests** him to further intensify his efforts in accordance with the Strategic Plan;
6. **Acknowledging** that substantial funds have been raised so far but that reaching the target of US\$ 116 million by 2014 remains a challenging task, **calls** upon Contracting Parties and invites other donor prospects to make multi-annual and direct investments to the Benefit-sharing Fund to increase financial sustainability and **requests** the Secretary to foster direct and long-term relationships and seek multi-annual commitments when approaching donors;
7. **Emphasizes** the need for the Secretary to further enhance and promote partnerships with donors and to profile the Fund among high level political decision makers;
8. **Emphasizes** the importance of implementing the modalities for resource mobilization as set out in the Strategic Plan for reaching its funding target and that the Governing Body should retain full responsibility and autonomy over the operation of the Benefit-sharing Fund;
9. **Emphasizes** the need to further explore innovative approaches in engaging voluntary donors to the Benefit-sharing Fund, in particular various private sector prospects such as the seed and the food processing industry;
10. **Emphasizes** the need to limit the overhead fees for the fund raising for the purpose of the Benefit-sharing Fund in order for the Benefit-sharing Fund to remain attractive for potential donors, acknowledging that part of the capacity of the Secretariat will be used for general management of the Benefit-sharing Fund, and in particular the project cycle.

## **PART II: OPERATIONS OF THE BENEFIT-SHARING FUND**

### ***Implementation of the first round of the project cycle***

11. **Welcomes** the progress made in the implementation of the 11 small-grant projects approved for funding at the Third Session of the Governing Body, funded under the first round of the project cycle of the Benefit-sharing Fund and **requests** the Secretary to prepare and make available a summary report on the implementation and impact of this first project portfolio;
12. **Emphasizes** that plant genetic resources for food and agriculture listed in *Annex I* of the International Treaty resulting from the projects funded under the first round of the project cycle shall be made available according to the terms and conditions of the Multilateral System, and that information generated by these projects shall be made publicly available within 1 year of the completion of the project and **requests** the Secretariat to develop practical and simple measures and systems that will facilitate that the entities implementing such projects meet such requirements;

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### ***Implementation of the second round of the project cycle***

13. ***Welcomes*** the thematic focus of the Call for Proposals 2010 to help ensure sustainable food security by assisting farmers to adapt to climate change, and the Call's structure that integrates the realization of Strategic Action Plans with the implementation of Immediate Action Projects;
14. ***Thanks*** the Bureau and the *Ad Hoc* Advisory Committee on the Funding Strategy for the intergovernmental work carried out to support the design and execution of the second round of the project cycle of Benefit-sharing Fund as well as the high level international experts engaged by the Secretary;
15. ***Welcomes*** the establishment of the Helpdesk function to support the elaboration of pre-proposals and full project proposals during the second round of the project cycle;
16. ***Welcomes*** the progress made so far by the Panel of Experts on the appraisal of project proposals submitted under the second round of the project cycle of the Benefit-sharing Fund and ***recognizes*** that the Panel did not have sufficient time to complete its work;
17. ***Emphasizes*** the importance of finalizing the appraisal of project proposals with the highest quality standards to meet the high expectations on the Benefit-sharing Fund, from applicants, Contracting Parties, donors and possible partner organizations of the Fund;
18. ***Requests*** the Panel of Experts to finalize the appraisal in a reasonable period of time, on the basis of the recommendations provided by the Bureau of the Fourth Session of the Governing Body in order to ensure that quality and technical merit determine the appraisal and approval of project proposals and ***requests*** the Secretary and the Co-chairs of the Panel to facilitate the work of the Panel by ensuring a clear, transparent and simple procedure for the Panel to conclude its task;
19. ***Requests*** the Panel to submit their recommendations on the appraisal to the Bureau of the Fifth Session of the Governing Body;
20. ***Adopts*** interim procedures for reporting, monitoring and evaluation of the second round of the project cycle, as contained in *Annex 1* of this Resolution, and interim procedures for fund disbursement, as contained in *Annex 2* of this Resolution, to be applied in the implementation of the second round of the project cycle of the Benefit-sharing Fund;
21. ***Requests*** the Secretary to collaborate with international organizations and relevant FAO units and offices in the monitoring and evaluation of projects approved in the second round of the project cycle of the Benefit-sharing Fund, and to conclude the necessary agreements to set forth institutional arrangements with partners for the implementation of projects approved in the second round of the project cycle;

### ***Implementation of future rounds of the project cycle***

22. ***Emphasizes*** the importance of enhancing sustainable food security by assisting farmers to adapt to climate change, and for this purpose, ***requests*** the Secretary to develop a mid-term programmatic approach for the Benefit-sharing Fund, building upon the thematic focus of the Call for Proposals 2010 and in full alignment with the priorities adopted by the Governing Body and submit it to the Governing Body, at its Fifth Session, for approval;
23. ***Decides*** to delegate authority for the execution of the project cycle during the next biennium 2012/13 to the Bureau of the Fifth Session of the Governing Body and ***requests*** the

Secretary to prepare, for the Bureau, a report on lessons learnt during the execution of the first and second rounds of the project cycle to support the design and execution of the project cycle and its future rounds;

24. **Emphasizes** that quality, relevance according to selection criteria, and technical merit shall determine, in a transparent manner, the appraisal and approval of full project proposals in future rounds of the project cycle and **recalls** the elements adopted by the Governing Body at its Second Session – *Appendix D.3*<sup>1</sup> that allow fair<sup>2</sup> distribution of benefits, and in addition **acknowledges** the importance of an inclusive process to which all regions feel committed, noting that the provision of helpdesk functions and language facilities, as well as support workshops, contributes to such a goal;

***Further operationalization of the Benefit-sharing Fund, including procedures and institutional arrangements***

25. **Acknowledges** 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;

26. **Recognizes** the importance of developing and sustaining the capacity within the Secretariat of the Treaty on resource mobilization and the execution of the next rounds of the project cycle;

27. **Requests** the Secretary to use the *interim* procedures adopted for the second round of the project cycle as a basis for further work with a view of considering and adopting procedures for future rounds of the project cycle at the Fifth Session of the Governing Body;

28. **Notes 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;

29. **Welcomes** 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;

30. **Requests** the Secretary to continue establishing partnerships with relevant international organizations as well as bilateral donors to support the Benefit-sharing Fund, and develop a standard procedure and cooperation framework for the establishment of partnerships for submission to the Bureau, for its review;

31. **Requests** the Secretary to bring the work of the Fund to the attention of the other fora;

32. **Requests** the Secretary that the information and the reporting under the direct control of the Governing Body, in accordance with Appendix 4 of the Funding Strategy, will be provided to the Governing Body, at its Fifth Session;

**PART III: MONITORING THE IMPLEMENTATION OF THE FUNDING STRATEGY:**

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<sup>1</sup> *Operational Procedures for the Use of Resources under the direct control of the Governing Body*, Document IT/GB-2/07/Report.

<sup>2</sup> Does not imply imposition of quota per region.

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## RESOURCES NOT UNDER THE DIRECT CONTROL OF THE GOVERNING BODY

33. *Welcomes* the information compiled by the Secretariat on resources not under the direct control of the Governing Body, and emphasizes the importance of regular provision of such information to raise the profile of the Funding Strategy of the Treaty and to assess gaps and synergies in its implementation and *requests* the Secretary to intensify its efforts to compile further information;

34. *Takes note* of the *Report of the Global Crop Diversity Trust* for the implementation of the Funding Strategy, and *calls* for enhanced cooperation between the Trust and the Treaty;

35. *Requests* the Secretary to strengthen cooperation with other international organizations to support the implementation of the Funding Strategy;

## PART IV: INTERGOVERNMENTAL WORK ON THE FUNDING STRATEGY DURING THE NEXT INTERSESSIONAL PERIOD: DRAFT TERMS OF REFERENCE FOR THE AD HOC ADVISORY COMMITTEE ON THE FUNDING STRATEGY

*Emphasising* the importance of experience in the Committee on issues of fundraising, project execution and fund programming;

36. *Decides* to reconvene the *Ad Hoc* Advisory Committee on the Funding Strategy, with the following Terms of Reference:

- i. advise the Governing Body on resource mobilization efforts;
- ii. advise the Governing Body on the operation of the Benefit-sharing Fund, including on:
  - design and structure of the next call for proposals;
  - appraisal of pre-proposals;
  - support the work of the Bureau in screening the pre-proposals;
  - review of implementation of project portfolio funded by the first and second rounds of the project cycle of the Benefit-sharing Fund;
  - review of the Operational Procedures of the Benefit-sharing Fund;
- iii. advise the Governing Body on the monitoring of the implementation of the overall Funding Strategy;
- iv. search for ways to make the operations of the Committee as cost-effective as possible, *inter alia*, by making optional use of electronic communications;
- v. report on the progress of its work to the Governing Body at its Fifth Session.

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**ANNEX 1**

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**INTERIM PROCEDURES FOR REPORTING, MONITORING AND EVALUATION<sup>3</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**

- a. 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;
- b. 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.
- c. the plan is developed according to the templates for project proposals that are attached to the invitation to prepare a full project proposal.
- d. 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**

- 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;

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<sup>3</sup> Appendix II of the Operational Procedures for the use of resources under the direct control of the Governing Body.

- 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.

### **3. 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.

#### **4. 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.



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**ANNEX 2**

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**DRAFT 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.