



The International Treaty

ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE



E

Item 9 of the Provisional Agenda

FIFTH SESSION OF THE GOVERNING BODY

Muscat, Oman, 24-28 September 2013

PROGRESS REPORT ON THE IMPLEMENTATION OF THE SECOND ROUND OF THE PROJECT CYCLE

EXECUTIVE SUMMARY

1. This document provides an update on matters of relevance to the execution of the second project cycle of the Benefit-sharing Fund and the progress made since the last Session of the Governing Body. The document focuses on the steps undertaken in the preparation and signature of the project agreements, disbursement of funds and project reporting and monitoring.¹
2. The document also gives an update on the execution of project portfolio as well as an overview of the activities and results obtained to date. Its format and contents are in line with the information and reporting requirements stipulated in the Funding Strategy of the International Treaty.

¹ Resolution 3/2011, Annex 1 and Annex 2.

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I. INTRODUCTION

1. In August 2011, the Bureau of the Fourth Session of the Governing Body approved the projects to be funded under the second call for proposals of the Benefit-sharing Fund (BSF). In undertaking the approval of project proposals, the Bureau identified the following project proposals of relevance to this document: (1) project proposals for immediate funding by the Benefit-sharing Fund; (2) eight project proposals to be funded if additional funding became available in the Benefit-sharing Fund before the end of the biennium (December 2011) (3) project proposals nested in UNDP programmes that were referred to joint resource mobilization with UNDP.

2. The Bureau approved 19 projects for immediate funding by the Benefit-sharing Fund. A total of 7 of Window 1 projects focus on elaborating Strategic Action Plans that aim to establish priorities, targets and milestones for future action in relation, *inter alia*, to information exchange, technology transfer and capacity building to cover all areas relating to plant genetic resources for food and agriculture. These projects have one year duration and do not exceed USD 400,000². A total of 12 of Window 2 projects are Immediate Action Projects that are expected to have an immediate positive impact on food security and climate change adaptation. These projects run for a maximum of two years and not exceed USD 300,000³.

3. At its Fourth Session, the Governing Body decided to delegate authority for execution of the project cycle during the next biennium to the Bureau of the Fifth Session of the Governing Body (the Bureau). The Governing Body also decided to reconvene the *Ad Hoc* Advisory Committee on the Funding Strategy (the Committee) to, *inter alia*, advise on the design and structure of the next call for proposals and review the implementation of the project portfolio funded by the first and second rounds of the project cycle.

4. The Bureau and the Committee have been regularly updated with regard to the execution of the second round of the project cycle. The Secretariat has regularly updated the Bureau with regard to the status and next steps in the execution of the second project cycle. The Committee also received background information on the execution of the second project portfolio. The Committee thanked the Secretariat for the comprehensive information provided and welcomed the progress made in the execution of the project portfolio.

² Map of Window 1 projects: <http://www.planttreaty.org/sites/default/files/files/Window1ok.pdf>

³ Map of Window 2 projects: <http://www.planttreaty.org/sites/default/files/files/Window2.pdf>

II. EXECUTION OF THE SECOND ROUND OF THE PROJECT CYCLE

A. DEVELOPMENT AND SIGNATURE OF PROJECT AGREEMENTS

5. Once the 19 project proposals had been approved by the Bureau, the Secretariat prepared project agreements to be signed with each executing entity. The contractual instrument available at FAO to obtain services from governmental, inter-governmental, non-governmental and non-profit legal entities is the "Letter of Agreement" (LoA). FAO has been finalizing the review of the Manual Section 507 governing the LoAs that became effective from 1 July 2011. It sets forth the rules, procedures and criteria for such type of agreements. According to the new policy for LoAs, the project cycle of the Benefit-sharing Fund is considered as a competitive selection process that supports transparency, impartiality and the best value- for-money approach.

6. The new LoA template has provisions on reporting requirements and terms and conditions for fund disbursement, as well as a number of customary clauses, such as duration and entry into force and designation of individuals responsible for execution of the agreement and signature.

7. By May-August of 2012, 90 % of the LoAs have been finalized and signed. 10 % of the LoAs were finalized and signed between October-November 2012.

8. The agreements are divided in two parts – the general provisions of the agreements and Annexes to detail the project outcomes, outputs, performance indicators, work plan, monitoring mechanisms, duration and other relevant information.

9. The Secretary has required in different occasions the executing entities to revise the budget, without any change in the total financial allocation, in order to have enough detail for financial supervision throughout project implementation and guarantee an efficient allocation of resources among budget categories, with a special focus on training and capacity building initiatives, as well as research and field activities.

10. There have been cases where limited procurement emerged as necessary to achieve the project outcomes and outputs. In cases of very limited procurement, the executing entity was required to undertake the procurement in a transparent manner and consistently with generally accepted principles governing public procurement. In other cases, procurement has been undertaken directly by FAO. All the procurement is detailed in the budget. The justification for including a procurement component in the agreement has been documented and annexed to the agreement.

11. At its Third Session, the Governing Body decided that plant genetic resources for food and agriculture listed in *Annex 1* of the Treaty resulting from the projects funded shall be made available according to the terms and conditions of the Multilateral System and that information generated by projects funded shall be made publicly available within 1 year of completion of the project⁴. Accordingly, the agreements for this second project cycle include the requirement for the executing entities to submit a plan of inclusion of material listed in Annex I of the International Treaty as part of the Technical and Financial Final Report to be provided before the closure of the project agreement. The letters of notification of inclusion of material in the Multilateral System from the projects will be published on the Treaty website.

⁴ Resolution 3/2011 par.12

B. FUND DISBURSEMENT

12. At its Fourth Session, the Governing Body has adopted the Draft Interim Disbursement Procedures.⁵ The implementation of the interim disbursement procedures are in line with the Financial Rules of the Governing Body and consistent with existing FAO financial rules and regulations.

13. The terms and conditions of disbursement are set forth in the project agreements that 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.

14. Disbursements are being carried out in accordance with the provisions of the Letters of Agreement signed with the executing entities. The Agreement includes a payment schedule that specifies the amount, the conditions of payment and the expected date of submission of each financial report.

15. Following the signature of the agreements, the first tranche of funds is transferred to all the executing entities. Interim payments are contingent upon the approval of *Implementation Reports*, which include reporting on results and a financial report. The financial report requires detailed information on incurred expenditures duly signed and certified by the designated official of the executing entity.

16. By the time of this document preparation, 65 % of the funds for the second Benefit-sharing Fund cycle have already been disbursed to the executing entities.

Table 1: Disbursement situation of the second project portfolio (as of 15/09/2013).

	Total	Window 1	Window 2
Allocated funds	5.497.773,00	2.478.277,00	3.019.496,00
Funds disbursed	3.647.365,00	1.965.703,00	1.681.662,00
Funds to disburse	1.850.358,00	512.524,00	1.337.834,00

17. For the Strategic Action Plan Projects (Window 1), 80% of funds have been disbursed following the reporting and monitoring schedule.

⁵ Annex 2 of the Resolution 3/2011 available at http://www.planttreaty.org/sites/default/files/R3_2011_en.pdf

Figure 1: Window 1-Funds committed by region of approved projects

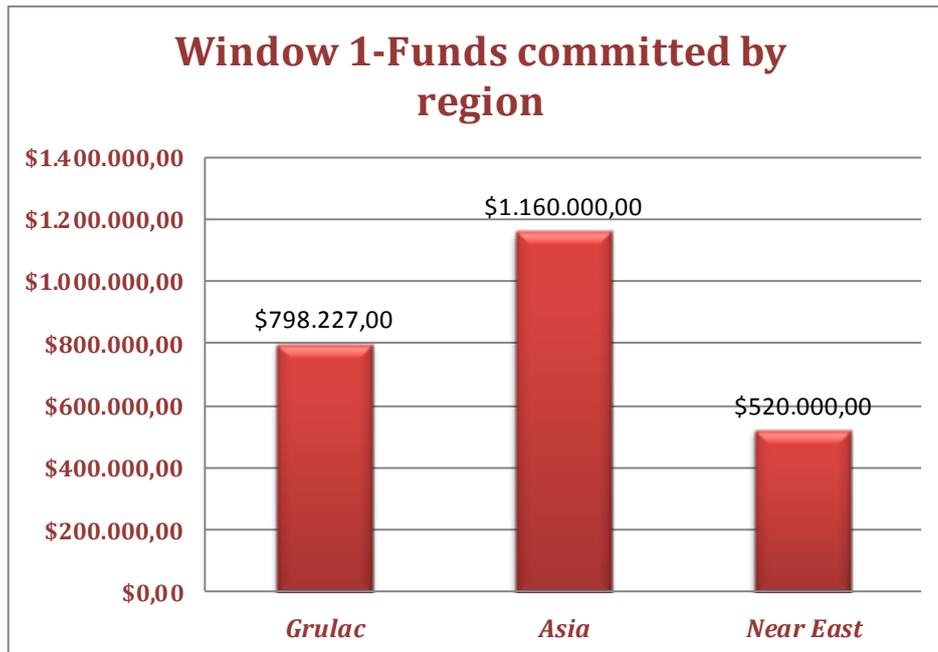


Figure 2: Window 1-Funds disbursed by region (as of 15/09/2013)

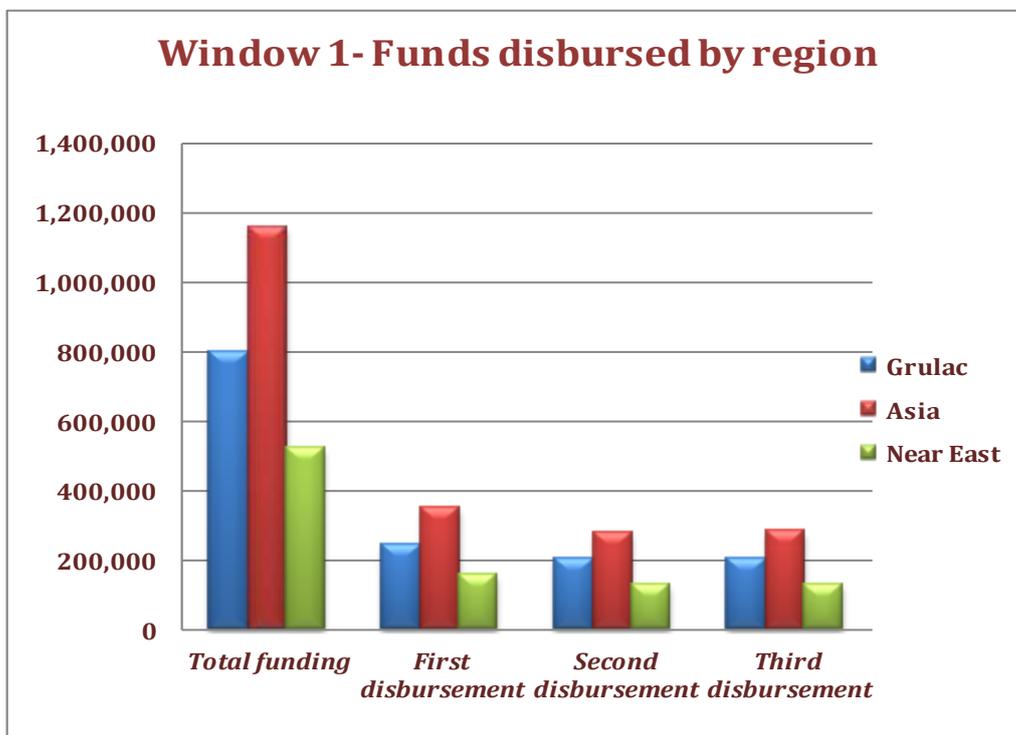
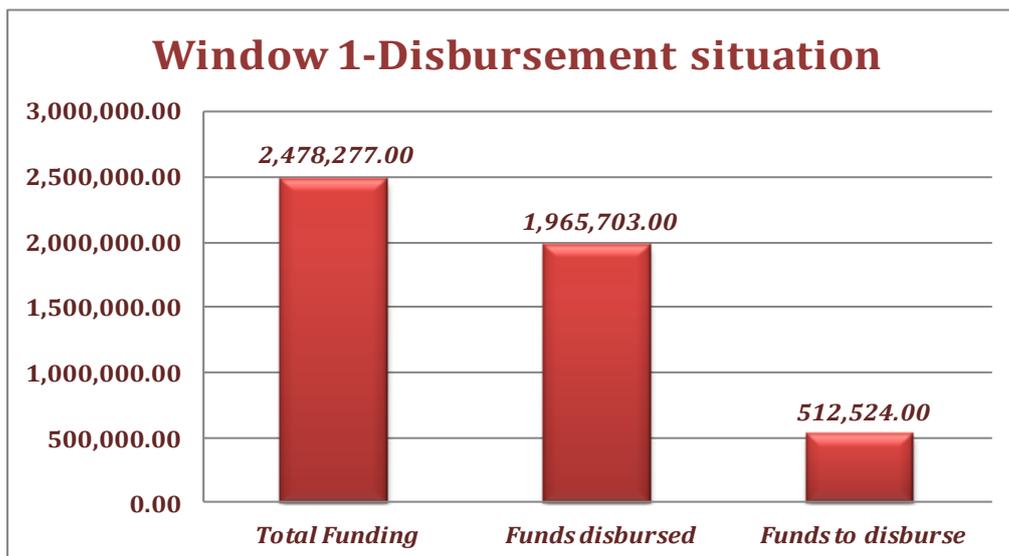
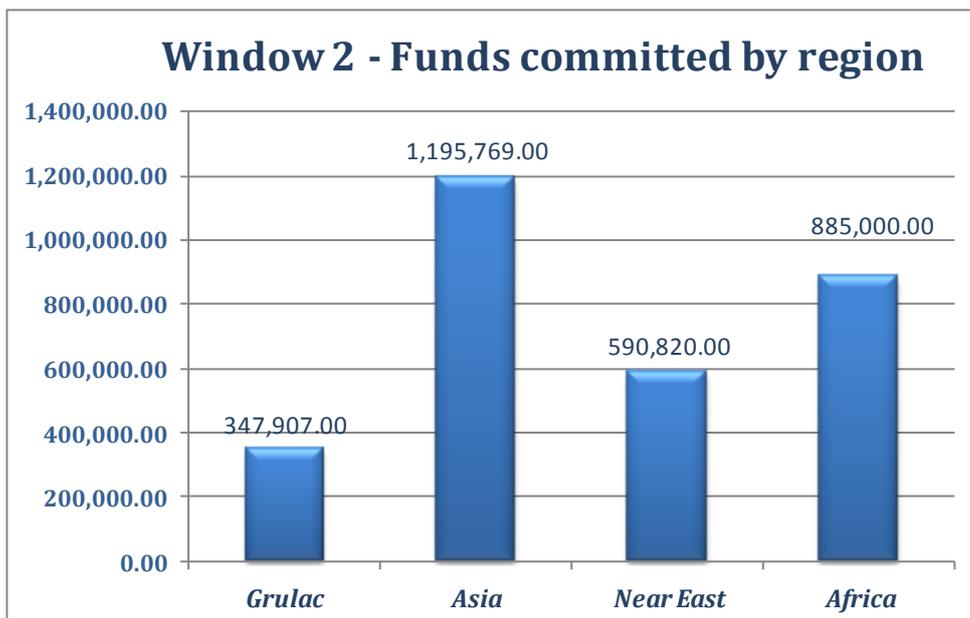


Figure 3: Window 1- Summary of disbursement status (as of 15/09/2013).



18. For the Immediate Action Projects (Window 2), 57 % of funds have already been transferred to BSF executing entities⁶.

Figure 4: Window 2-Funds committed by region of approved projects



⁶ The difference in the share of funds disbursed for Window 1 and Window 2 projects is due to the different duration of the projects and a consequently different reporting and monitoring schedule.

Figure 5: Window 2-Funds disbursed by region (as of 15/09/2013)

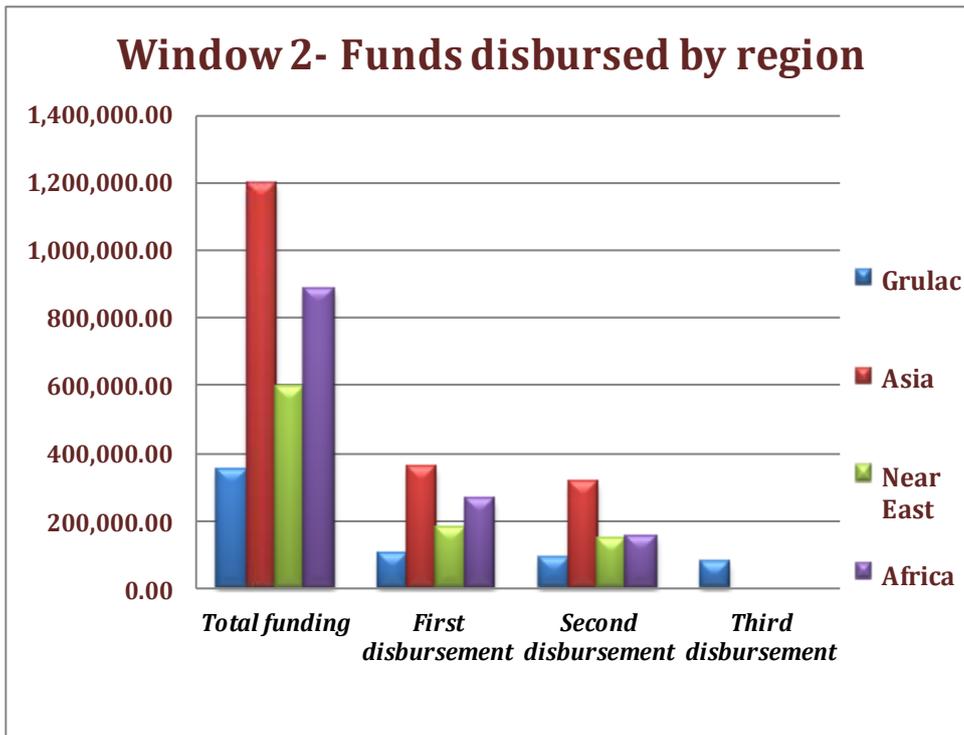
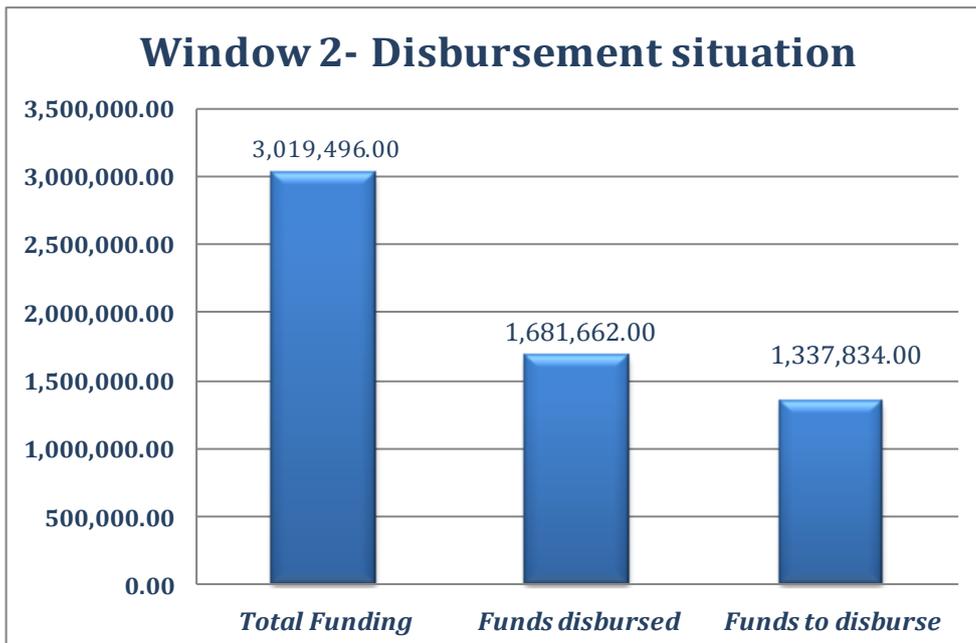


Figure 6: Window 2 - Summary of disbursement status (as of 15/09/2013).



19. Final payments will be made following the receipt and approval of the *Terminal Report*, which will include a Financial Report, detailed enough to allow the certification of deliverables and expenditures, signed and certified by the designated officials of the executing entity. A lower final payment or full payment prior to acceptance of all deliverables may be approved by the FAO administration in exceptional cases, based on documented justification of the benefit to FAO against the risk of non-performance.

C. MONITORING AND REPORTING

20. For the second round of the project cycle, the format of full project proposals was improved to enhance day-to-day project reporting and monitoring. The format contains a work plan and a logical framework matrix with verifiable indicators for achievement of outcomes, outputs and activities, sources and means of verifications, as well as assumptions for risk management.

21. The Secretariat has developed the templates for monitoring the progress in the execution of project activities based on internationally accepted M&E criteria⁷. The monitoring focuses at the outcome and output levels, and intends to appraise the effectiveness of project activities in relation to its objectives, assess progress made towards the achievement of each planned output, and provide details on the quality and quantity of outputs delivery as well as the timeliness with respect to original work plan.

22. The reporting and monitoring principles of the Benefit-sharing Fund projects require that the information provided by our implementing partners be focused and specific, qualitatively and quantitatively measurable in terms of what has been done, with what purpose, who and why has been involved in project activities (e.g. number of people directly involved, their gender, socio-economic status and the reason for their involvement) the nature of the implemented activities, the methodology used, the outcomes realized and their contribution to achieving the stated objectives.

23. Specific information on the involvement of relevant stakeholders and beneficiary group(s) is requested, following the *Procedures for Reporting, Monitoring and Evaluation of the Benefit-sharing Fund* as per Annex 4 of the Funding Strategy. The formats include a risk assessment matrix intended to reveal possible risks in the project implementation and to identify management strategies for tackling such risks.

24. *Implementation Reports* are submitted periodically, according to the reporting schedule included in the project agreements. Acceptance by the Secretary of the *Implementation Reports* is required prior to interim payments. The Midterm and Terminal Reports require:

- A *Financial Report*, including a periodical financial statement to the Secretary concerning the use of received funds, signed and certified by the duly designated representative(s) of the executing entity;
- *Results Report*, including a report on progress and results for the implemented activities;
- A *Plan of Inclusion* of plant genetic resources for food and agriculture listed in Annex I of the ITPGRFA into the Multilateral System of access and benefit-sharing and knowledge in public domain.

25. Upon finalization of the projects, the executing entities will submit a *Terminal Report*, that will summarize the main activities and outputs achieved, outcomes and lessons learned. It will describe the involvement of stakeholders and cooperation of organizations during project implementation. The *Terminal Report* will also summarize key successes, bottlenecks and challenges for the future. A final financial report will include a financial statement of expenditures accompanied by relevant supporting documentation and will be signed and certified by the duly designated representative(s) of the executing entity.

⁷ DAC Criteria for Evaluating Development Assistance: relevance, effectiveness, efficiency, impact, sustainability.

D. INDEPENDENT EVALUATION OF THE PROJECT PORTFOLIO

26. The Operational Procedures of the Benefit-sharing Fund include, as the last step of the project cycle, an independent evaluation according to standard procedures based on norms and standards of the United Nations Evaluation Group. 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.

27. Provision has been made to carry out an independent evaluation for the second round of the project cycle. The independent evaluation of the project portfolio will be carried out by an independent expert team at portfolio level.

28. The planning of the Independent Evaluation will tentatively start during the 1st Quarter of 2014. The Bureau and relevant intersessional bodies related to the BSF will be kept informed. For more information see the procedures adopted by the Fourth Session of the Governing Body⁸.

E. ACTIVITIES AFTER APPROVAL: PROGRESS TO DATE

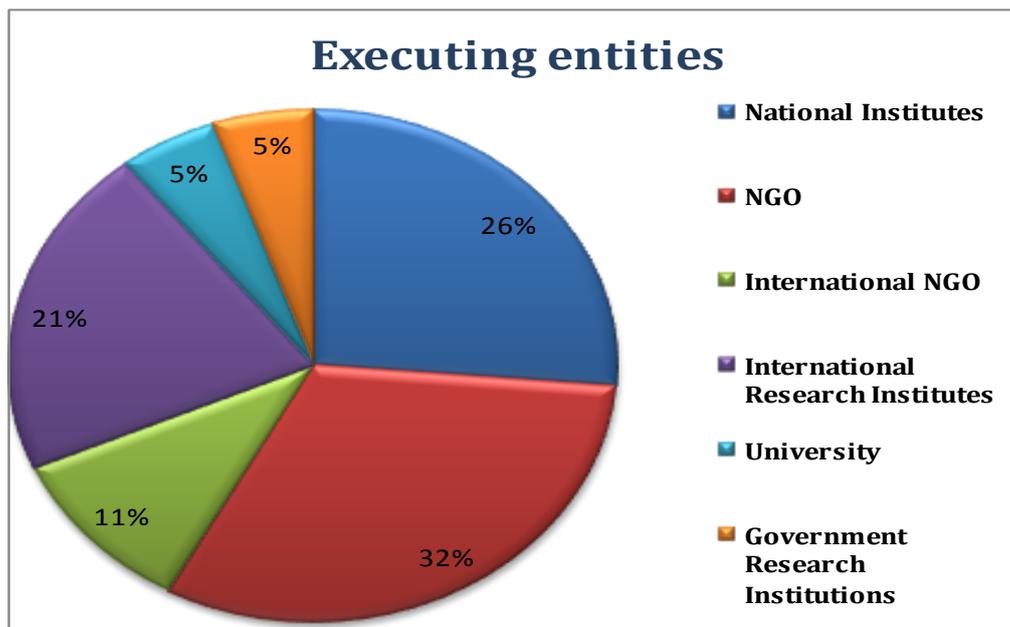
29. The 19 projects sponsored by the Benefit-sharing Fund in its second round of project cycle are currently in their active phase of implementation. The funds disbursed in the second round of the project cycle multiplied by ten those disbursed in the first round of the project cycle. Our executing entities are helping ensure sustainable food security by assisting farmers to adapt to climate change in 31 countries across Asia, Africa, Near East and Central and South America⁹ through a series of high impact activities on the conservation and sustainable use of plant genetic resources for food and agriculture.

30. There is a wide range of institutions involved in the execution of the second round of Benefit-sharing Fund projects including governmental organizations, NGO's and national and international research institutions.

⁸ Resolution 3/2011.

⁹ See the maps of approved projects available at <http://www.planttreaty.org/sites/default/files/files/Window1ok.pdf> and <http://www.planttreaty.org/sites/default/files/files/Window2.pdf>

Figure 7: Types of executing entities¹⁰ in the second project cycle.



31. For the ability of the Benefit-sharing Fund to implement its priorities during the second project cycle, a special emphasis was drawn to the catalytic potential and the multiplier effect that partnerships can play in enhancing impact and sustainability of the BSF funded activities. Our 19 executing entities are working together with more than 160 partnering institutions among donor countries, universities, institutes for biodiversity conservation, international organizations, governmental and non-governmental organizations, genebanks and national and international research institutes to facilitate the execution of the second cycle by linking the BSF activities to broader initiatives, establishing cross-border cooperation and adopting an integrated approach in project implementation.

¹⁰ Executing entities are any governmental or non-governmental organization that can apply for funding as per decision of the Governing Body and are eligible to prepare and implement projects receiving assistance from the Fund. Project Agreements (LoAs) are signed between the Secretariat and the executing entities.

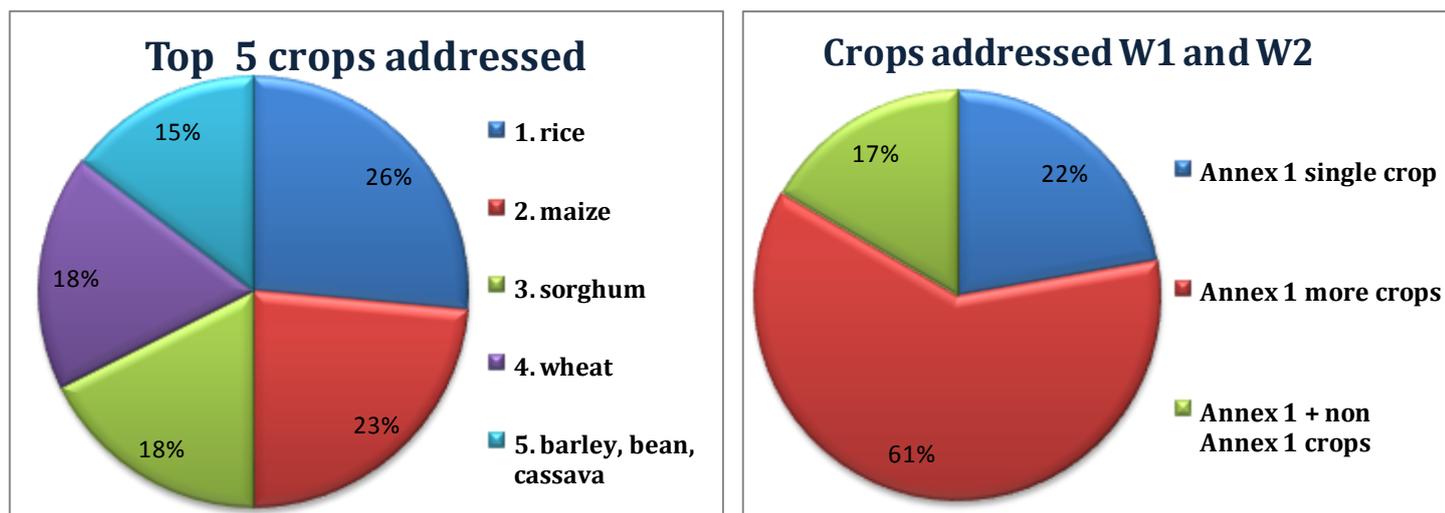
Figure 8: Partnering¹¹ institutions involved in the execution of the second BSF cycle.



32. Project stakeholders are involved in collection, characterization, evaluation and development of new varieties of plant genetic resources for food and agriculture and compilation of synthesis information of existing diversity. A targeted set of activities on the conservation and sustainable use of plant genetic resources for food and agriculture are implemented, including, *inter alia*, on farm management of local genetic diversity, farmer participatory breeding and selection, linkages at national, regional and international levels.

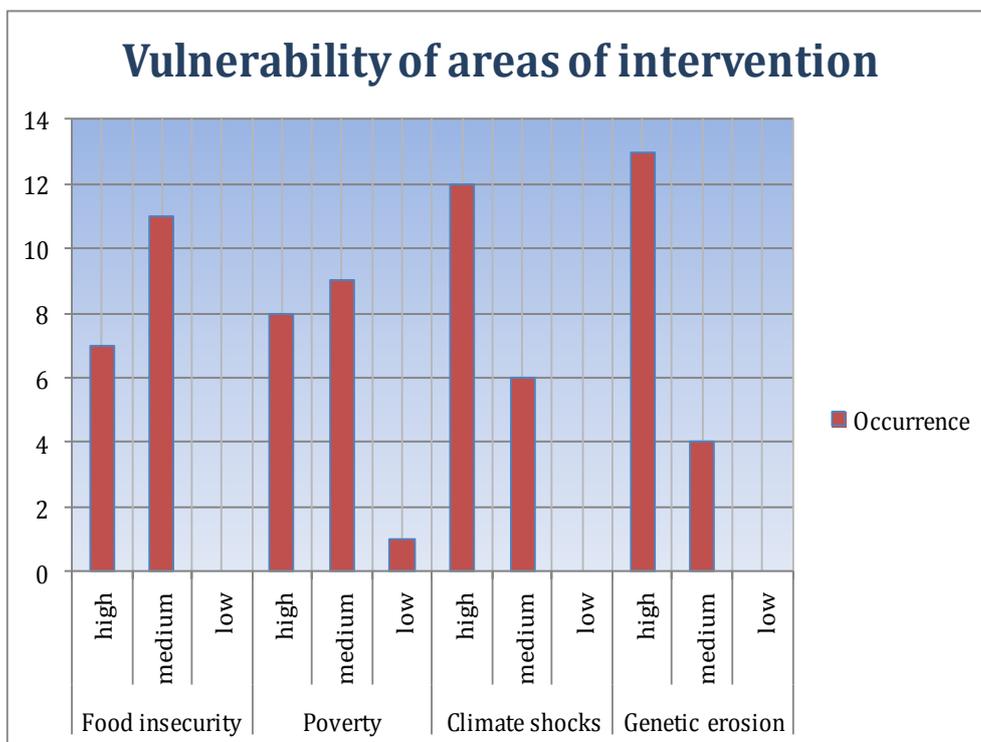
¹¹ Partnering Institutions are those institutions that have formal agreements with the executing agencies for the implementation of project activities.

Figure 9: Genetic diversity targeted in the second BSF cycle



33. The areas of intervention of this second cycle are all vulnerable to food insecurity, poverty, climate shocks and genetic erosion.

Figure 10: Vulnerability of project areas to socio-environmental challenges¹²



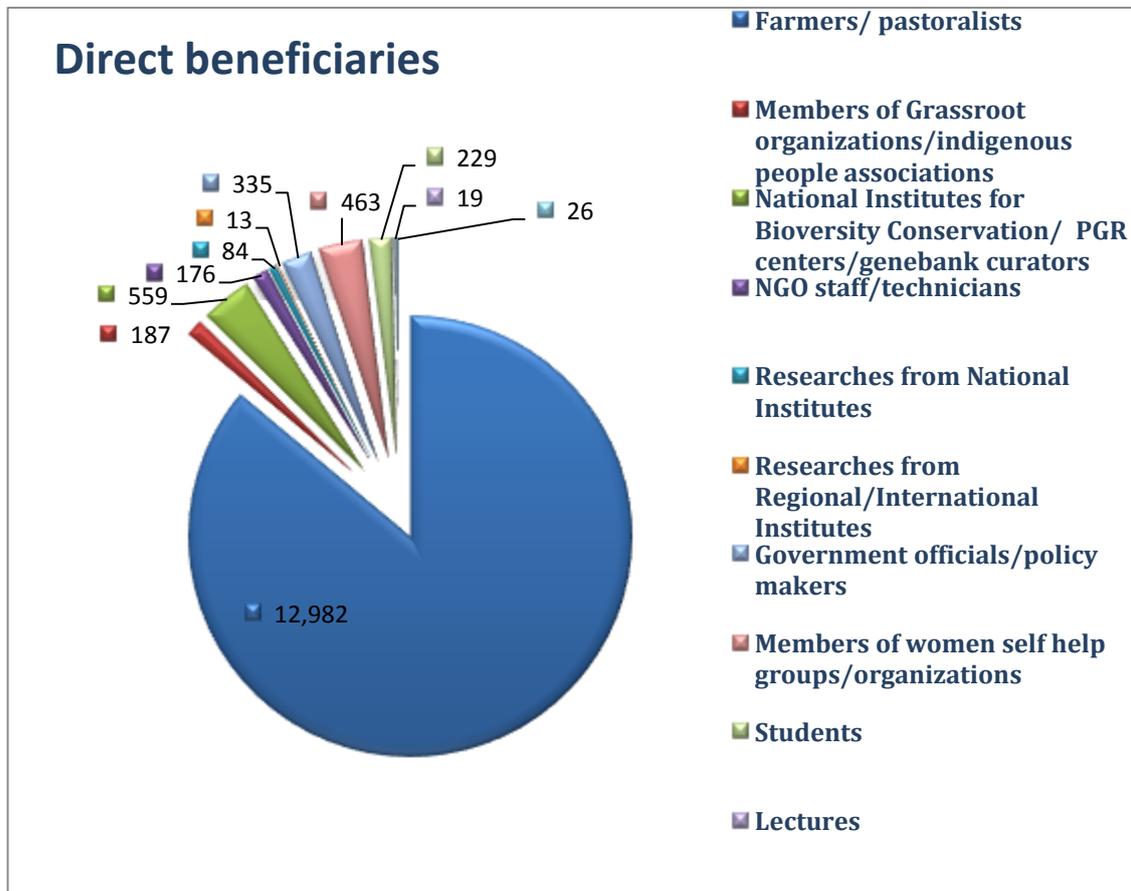
¹² Data has been obtained from a survey undertaken by the Secretariat through a questionnaire covering 30 targeted countries (15/08/2013).

34. As part of project implementation, site-specific studies have been undertaken to create strong baselines and project activities shaped according to identified community needs. Vulnerability assessments and household surveys have been carried out at community level in 22 countries involving more than 6139 farmers (40% women) to assess needs and threats and identify the appropriate coping strategies from a PGRFA perspective.

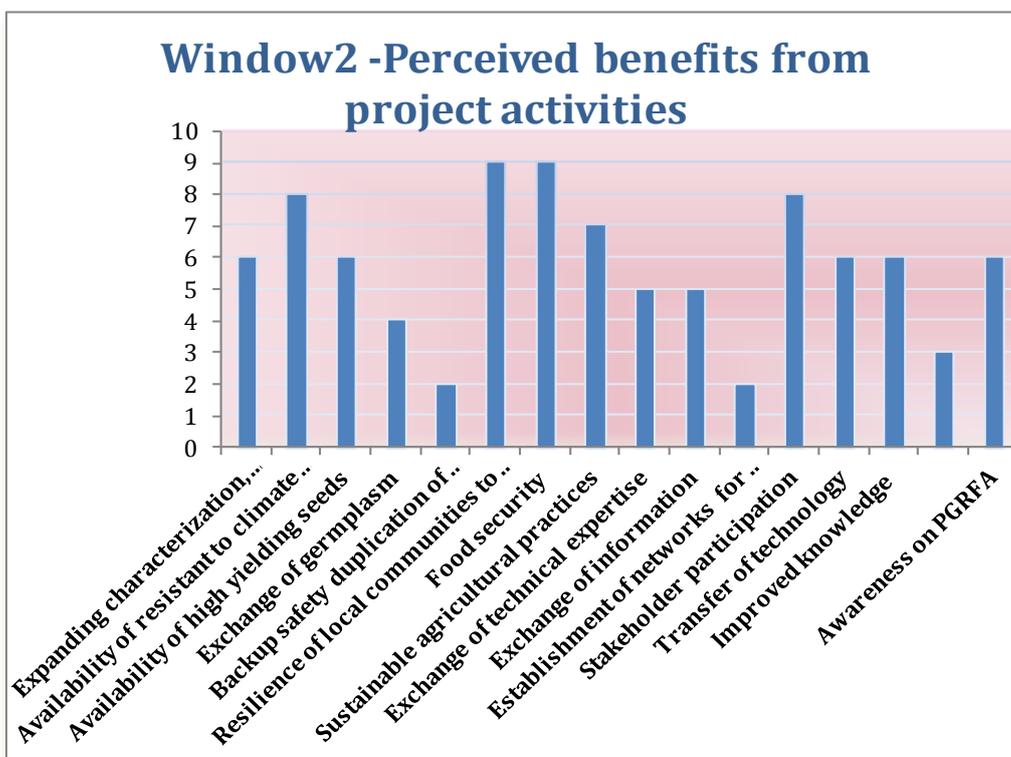
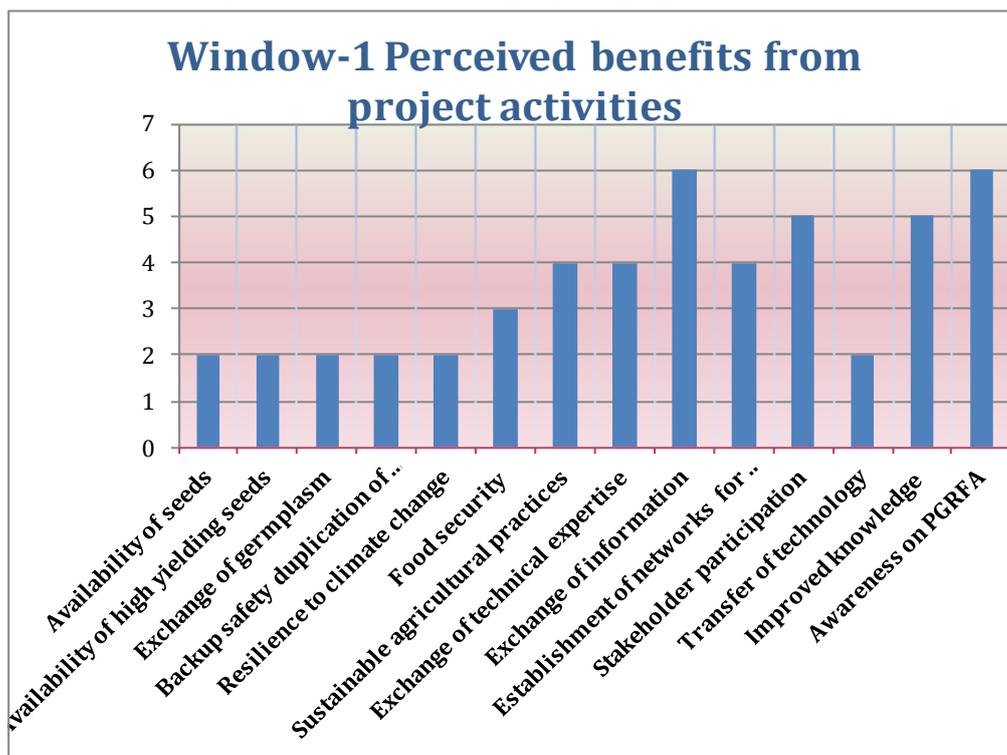
35. The importance and the need for capacity building and awareness raising is highly prioritized in the second BSF cycle projects. A special attention is being paid to the enhancement of human and institutional competences to conserve and sustainably use PGRFA. As of today, 6743 among farmers, extension agents, researches and governmental officials have been involved in training sessions on characterization, evaluation and breeding of crop varieties as well in on-farm conservation and management of PGRFA. Exchange visits, workshops, development of rural extension networks for conserving and using crop diversity on-farm and the establishment of field schools for training of local communities represent just a part of the initiatives underway for capacity building.

36. At the time of publication of this document, an estimated 15,073 (51% women) people have been directly involved in field activities, surveys, seed fairs, community biodiversity registers, training and capacity building sessions, participatory variety selection, plant breeding and establishment of community seed banks.

Figure 11: Direct beneficiaries disaggregated by stakeholder groups¹³.



¹³ The data has been gathered through a survey. It provides a snapshot of the people directly involved and benefiting from the project activities implemented up to 15/08/2013. Final data will be provided in the Final report.

Figure 12: Perceived benefits from project activities¹⁴

¹⁴ The data has been gathered through a survey elaborated and submitted to all BSF executing entities. It provides a snapshot of the perceived benefits arising from the project activities implemented up to 15/08/2013. Final data will be provided in the Final report.

37. All these activities contribute to the established priorities of the Benefit-sharing Fund and have the potential to be replicated across agro-ecological zones. Most importantly, they contribute towards keeping farmers ahead of the climate change curve, working now to produce seeds that will be adapted to the changing environmental conditions and create an enabling knowledge base for facing future challenges.

F. SUPPORT FROM PARTNERS IN THE IMPLEMENTATION OF THE SECOND ROUND OF THE PROJECT CYCLE

38. During the execution of the second cycle, there has been a growing interest from a wide range of international development institutions, in particular UNDP and IFAD, to support the further operationalization of the Benefit-sharing Fund.

39. IFAD approved a Grant Agreement for a contribution of one million, five hundred thousand US Dollars (USD 1.5 million) in support of the second funding cycle of the Benefit-sharing Fund. IFAD's contribution supports 5 Immediate Action Projects (Ethiopia, Zambia, Malawi, Tunisia, Indonesia) of the 19 projects approved by the Bureau for immediate disbursement.

40. A part of funds has already been disbursed to the executing agencies of the projects. There will be joint supervision missions with IFAD to some of these projects next year. IFAD is interested in using project results to support the strengthening of Country Programmes in the field of crop biodiversity.

41. UNDP has collaborated with applicants of the Benefit-sharing Fund to submit eight project proposals for funding in the second round of the Benefit-sharing Fund 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 their established partnership, have secured funds to finance three out of the six projects that have been approved for funding.

42. The Treaty Secretariat and UNDP have secured funds from Germany and Italy to support three Strategic Action Plans in Kenya, Philippines and Namibia.

43. The agreements making arrangements for implementing the project proposals channelled by UNDP are separate from the standard LoA template followed for the 19 projects approved for immediate funding in the second BSF project cycle. These follow the standard template agreement for UN Agency to UN Agency contributions approved by the members of the United Nations Development Group.