Item 8 of the Provisional Agenda

SEVENTH SESSION OF THE GOVERNING BODY

Kigali, Rwanda, 30 October – 3 November 2017

Report of the Seventh Meeting of the Ad Hoc Open-ended Working Group to Enhance the Functioning of the Multilateral System

Note by the Secretary

The Ad Hoc Open-ended Working Group to Enhance the Functioning of the Multilateral System (Working Group), at its sixth meeting, recommended to the Bureau of the Seventh Session of the Governing Body to consider the possibility of reconvening the Working Group, prior to and back-to-back with the Seventh Session of the Governing Body, subject to the availability of financial resources. The Working Group also welcomed the initiative of Switzerland to host an informal consultation on the process to enhance the functioning of the Multilateral System, which eventually took place at the end of May 2017 in Prangins, Switzerland. Following the constructive discussions at the informal consultation, the Bureau of the Seventh Session of the Governing Body, in June 2017, agreed that another meeting of the Working Group should be held sufficiently in advance of the Seventh Session of the Governing Body, so that the outcomes of the meeting could be transmitted to the Governing Body and considered by Contracting Parties at national level in preparing for the Seventh Session of the Governing Body. The Working Group accordingly held its seventh meeting from 5 to 7 September 2017 in Rome, Italy, which was made possible by generous extra-budgetary funding provided by the governments of Switzerland and Italy. This document contains the Report of the seventh meeting of the Working Group, providing further results from the work of the Working Group during this biennium, including on the “Growth Plan” for a coordinated and balanced process for the package of measures to come into effect. The document, IT/GB-7/17/7, Report of the Ad Hoc Open-ended Working Group to Enhance the Functioning of the Multilateral System, contains the Report of the sixth meeting of the Working Group, presenting the package of measures to enhance the functioning of the Multilateral System resulting from the work of the Working Group during this biennium. The draft revised Standard Material Transfer Agreement proposed by the Working Group is contained in Appendix 2 of that document. In the document, IT/GB-7/17/31, Co-chairs’ Proposal from the Outcomes of the Meetings of the Ad Hoc Open-ended Working Group to Enhance the
*Functioning of the Multilateral System,* the Co-chairs of the Working Group present their proposals to the Governing Body, building on the outcomes of the deliberations of the Working Group during the 2016-2017 biennium. It includes elements for a draft Resolution (*Appendix 1*) that comprise the “Growth Plan” (*Annex 1*) and a draft text for amending Annex I of the International Treaty (*Annex 3*).
INTERNATIONAL TREATY ON PLANT GENETIC RESOURCES 
FOR FOOD AND AGRICULTURE 

SEVENTH MEETING OF THE AD-HOC OPEN-ENDED WORKING GROUP TO 
ENHANCE THE FUNCTIONING OF THE MULTILATERAL SYSTEM 

Rome, Italy, 5-7 September 2017 

Report 

ITEM 1. OPENING OF THE MEETING 

1. The seventh meeting of the Ad Hoc Open-ended Working Group to Enhance the Functioning of the Multilateral System (Working Group) was opened by the Co-chairs, Mr. Bert Visser (Netherlands) and Mr. Javad Mozafari (Iran). They highlighted the substantial progress made by the Working Group and urged participants to focus on solutions rather than problems at this meeting. 

2. Mr. Kent Nnadozie, Secretary a.i. of the International Treaty, welcomed the Working Group to FAO and invited its members to take advantage of this additional meeting in seeking compromise on outstanding matters. He thanked the governments of Switzerland and Italy for generously providing the necessary extra-budgetary funds that allowed this meeting to take place. 

ITEM 2. ADOPTION OF THE AGENDA AND ORGANIZATION OF WORK 

3. The Working Group adopted its Agenda, as provided in Appendix 1. The list of participants is provided in Appendix 2. 

ITEM 3. CO-CHAIRS’ REPORT TO THE 
SEVENTH SESSION OF THE GOVERNING BODY 

4. The Co-chairs then provided a brief update on the Informal Consultation on the Enhancement of the Functioning of the Multilateral System that was held from 29 to 31 May 2017 in Prangins, Switzerland. The meeting gathered around 25 experts, including some members of the Working Group, in an informal setting under Chatham House Rules, to explore ideas and options of how to make progress in reaching results from the work of the Working Group. The Co-chairs used some of the discussions at the meeting as a basis for developing their draft Co-chairs’ Proposal. 

5. The Co-chairs of the Ad Hoc Advisory Committee on the Funding Strategy (Committee), Mr. Pierre du Plessis and Mr. Alwin Kopse, gave an update on the work carried out by the Committee during this biennium. 

6. The Working Group thanked the two Co-chairs of the Committee for their detailed report on the process to review the Funding Strategy of the International Treaty, in particular as it relates to the work of the Working Group, and it requested its Co-chairs to continue to liaise closely with the Co-chairs of the Committee, in preparation for the Seventh Session of the Governing Body. 

7. The Co-chairs informed the Working Group that they had received a declaration of commitment signed by 23 seed companies based in Asia, Europe and North America, expressing their intention to become subscribers under the enhanced Multilateral System, provided that certain business critical conditions would be met. Upon invitation by the Co-chairs, Mr. Jean-Christophe 

1 http://www.fao.org/3/a-bs773e.pdf
Gouache, a representative of one of these companies and the current president of the International Seed Federation, provided further details on the context, contents and objectives of this declaration. The Working Group thanked the representative for his explanations and for the initiative of this group of seed companies.

8. The Co-chairs then introduced the document, IT/OWG-EFMLS-7/17/2, Draft Co-chairs’ Proposal from the Outcomes of the Meetings of the Ad Hoc Open-ended Working Group to Enhance the Functioning of the Multilateral System, clarifying that they will finalize a revised Co-chairs’ Proposal as their report to the Seventh Session of the Governing Body after having listened to the discussions of the Working Group at this meeting, complementing the Report of the Working Group of this meeting. The Working Group welcomed the initiative by the Co-Chairs to provide structured guidance for the discussions.

9. The Working Group provided feedback to the Co-Chairs on the elements contained in the chapters of the draft Co-Chairs’ Proposal and requested the Co-Chairs to take into account its views and comments in the finalization of the document. As regards to issues related to the revised SMTA, the Working Group noted the Co-Chairs’ recommendation that all payments should be mandatory under the revised SMTA, if certain conditions are met.

10. The Working Group considered that the two access mechanisms in the revised SMTA should be workable and balanced while creating conditions for the Subscription System to be attractive to potential users. It was suggested that these objectives could be reached by defining payment rates and other SMTA conditions differentiating between the two access mechanisms. A yearly maximum threshold of accessions available under the single access mechanism should not be considered.

11. The Working Group noted the importance of minimizing administrative transaction costs associated with becoming a subscriber and maintaining subscriber status. In this context, it was considered potentially useful to explore managing subscriptions through the Global Information System.

12. The Working Group considered that there should be further discussions on exploring modalities and options for countries to become subscribers.

13. The Working Group requested the Co-Chairs, in finalizing the Co-Chairs’ Proposal, to further consider the issue of transfer of PGRFA to farmers for direct use for cultivation, including by taking into account the relevant opinions of the Ad Hoc Technical Advisory Committee on the Multilateral System and the SMTA.

14. In relation to the development of a system of payment rates, the Working Group noted the need to set differentiated payment rates. The differentiation of rates should be significant between the different access mechanisms envisaged under the revised SMTA and between Articles 6.7 and 6.8. Such differentiation of rates was identified as one of the key issues to take into account in making the Subscription System more attractive.

15. On conditions for withdrawal from the Subscription System, there was overall agreement on setting the minimum subscription period at 10 years while there was no consensus on a period for making mandatory benefit-sharing payments after withdrawal.

16. The Working Group reiterated the need to have further clarification on the legal definition of the term “sales” and it was agreed that this issue will be referred to the Standing Group of Legal Experts. The Working Group looked forward to getting further clarity on this issue at the time of the Seventh Session of the Governing Body.

17. On the issue of the package of measures for the enhancement of the Multilateral System that includes the expansion of the scope of the Multilateral System, the Working Group pointed out that there was a need for continuing discussions on the details and modalities associated with the way in which a viable Growth Plan could be developed, that would allow for a coordinated and balanced process for the measures to come into effect. It noted that further discussions are needed on the details and modalities on how such a plan could be workable. In that regard, the Working Group provided
detailed feedback and suggestions on the Growth Plan to be taken into account by the Co-Chairs in finalizing the Co-Chairs’ Proposal.

ITEM 4. PREPARATIONS FOR THE SEVENTH SESSION OF THE GOVERNING BODY, INCLUDING DISCUSSION OF THE DRAFT RESOLUTION

18. The Co-Chairs introduced a proposal for possible elements of a draft Resolution, *Measures to enhance the functioning of the Multilateral System*. The Working thanked the Co-Chairs for this proposal and provided general feedback for the Co-Chairs to take into account in further developing the proposed draft Resolution and its Annexes. The Working Group requested the Co-Chairs to attach such document to the Co-Chairs’ Proposal.

19. The Working Group also requested the Co-Chairs to continue playing an active role in preparing for the Seventh Session of the Governing Body, including through informal consultations with Contracting Parties and relevant stakeholders.

20. The Working Group raised a number of procedural issues on how certain agenda items and specific issues will be handled at the Seventh Session of the Governing Body. The Working Group requested the Co-Chairs to refer these procedural issues to the Bureau of the Seventh Session of the Governing Body in conjunction with their report on the outcomes of this meeting.

ITEM 5. ADOPTION OF THE REPORT

Appendix 1

INTERNATIONAL TREATY ON PLANT GENETIC RESOURCES
FOR FOOD AND AGRICULTURE

SEVENTH MEETING OF THE AD-HOC OPEN-ENDED WORKING GROUP TO
ENHANCE THE FUNCTIONING OF THE MULTILATERAL SYSTEM

Rome, Italy, 5-7 September 2017

AGENDA

1. Opening of the meeting
2. Adoption of the agenda and organization of work
4. Preparations for the Seventh Session of the Governing Body, including discussion of the draft Resolution
5. Adoption of the Report
Appendix 2

LIST OF PARTICIPANTS

The list of Participants is available at: http://www.fao.org/3/a-mu669e.pdf