



The International Treaty

ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE



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Item 9 of the Provisional Agenda

FIFTH SESSION OF THE GOVERNING BODY

Muscat, Oman, 24-28 September 2013

REPORT OF THE AD HOC ADVISORY COMMITTEE ON THE FUNDING STRATEGY

Note by the Secretary

1. This document contains the *Report of the seventh meeting of the Ad Hoc Advisory Committee on the Funding Strategy*, held from 18 to 20 September 2012 in Geneva, Switzerland.
2. The Report was published online on the Treaty website and circulated to the National Focal Points through a notification. The Report is accompanied by a cover note summarizing the major outcomes of the meeting.
3. The Committee agreed to have a resumed session which was held from 26 to 27 March 2013 in Geneva, Switzerland. The report of the resumed meeting is contained as *Addendum 1* to this document.

I. SEVENTH MEETING OF THE AD HOC ADVISORY COMMITTEE ON THE FUNDING STRATEGY

1. The meeting was held from 18 to 20 September 2012 in Geneva, Switzerland. The terms of reference are contained in part IV of Resolution 3/2011, among them, they include the following tasks:

- advise the Governing Body on resource mobilization efforts;
- advise the Governing Body on the operation of the Benefit-sharing Fund;
- advise the Governing Body on the monitoring of the implementation of the overall Funding Strategy;
- search for ways to make the operations of the Committee as cost-effective as possible, inter alia, by making optional use of electronic communications;
- report on the progress of its work to the Governing Body at its Fifth Session.

2. The Report is contained in the *Appendix* to this document. What follows provides a summary of major outcomes of the meeting. The Committee:

- reviewed progress on resource mobilization for the Benefit-sharing Fund and advised an exploration of all possible measures, including innovative approaches, that could address the funding shortfall and create predictable and sustainable resources for the Fund. The agenda item was left open for continuation at the resumed meeting of the Committee.
- reviewed the *Report of lessons learned*, which is available as *IT/GB-5/13/Inf.10*. The Committee highlighted that the *Report* provides an excellent basis for making the rounds of the project cycle more cost effective and transparent and submitted it to the Bureau.
- reviewed the *Operational Procedures* for the Benefit-sharing Fund and advised the Governing Body to finalize the review on the basis of the draft provided in document *IT/GB-5/13/7 Add.1*. The Committee agreed to continue refining the list of criteria in the *Operational Procedures*.
- reviewed and welcomed the draft policy of conflict of interest for the Benefit-sharing Fund. The Committee considered it a clear, simple and brief policy. The Committee submitted to the Bureau the *Draft Policy to manage conflict of interest and standards of conduct: Benefit-sharing Fund*, which is available in document *IT/GB-5/13/7 Add.1*.
- provided guidance on partnerships and on the preparation of a Mid-term programmatic approach or Medium Term Plan for the Benefit-sharing Fund. The draft Medium Term Plan will be available available in document *IT/GB-5/13/7 Add.2*.
- advised on the preparation of the design and structure of the Third Call for Proposals for the Benefit-sharing Fund, including that the Call be based in an annotated outline discussed by the Committee and include two windows: (1) co-development and transfer of technologies and (2) immediate action projects.
- reviewed and welcomed the progress made in the implementation of the project portfolio funded by the first and second rounds of the project cycle of the Benefit-sharing Fund. It provided guidance on the preparation of a terminal report of the first project portfolio. The report has been prepared and disseminated through the Treaty web site. It is available as *IT/GB-5/13/Inf. 11*.

3. The Committee agreed to have a resumed session which was held from 26 to 27 March 2013 in Geneva, Switzerland. The report of the resumed meeting is contained as *Addendum 1* to this document.

Appendix

**REPORT OF THE AD HOC ADVISORY COMMITTEE ON THE FUNDING
STRATEGY**

**SEVENTH MEETING OF THE AD HOC ADVISORY COMMITTEE ON THE
FUNDING STRATEGY****Geneva, Switzerland, 18-20 September 2012****Report****Agenda Item 1 - Opening of the meeting**

1. The Secretary of the International Treaty, Mr Shakeel Bhatti, opened the meeting and welcomed the members of the *Ad Hoc* Advisory Committee on the Funding Strategy (“the Committee”). The list of participants is attached in *Appendix 1*.
2. Mr Bhatti thanked the FAO Office in Geneva for hosting this meeting and for organizing, including through the provision of financial and human resources, the Information-sharing Session, *Technology Transfer within the International Treaty*. The Session gathered valuable expertise on how to ensure effective technology transfer further under the International Treaty and allowed the sharing of experiences on different models for implementing technology transfer in agriculture and other sectors.

Agenda Item 2 - Election of Co-chairs

3. The Committee elected Messrs Modesto Fernández (Cuba) and Erick Cockbain (Norway) as Co-chairs.

Agenda Item 3 - Adoption of the agenda

4. The Committee adopted its agenda, as given in *Appendix 2*.

Agenda Item 4 – Resource mobilization for the Benefit-sharing Fund

5. The Secretary introduced working document IT/ACFS-7/12/3, *Report on the resource mobilization efforts, including on innovative approaches*.
6. The Secretary introduced working document IT/ACFS-7/12/3, *Report on the resource mobilization efforts, including on innovative approaches*. The Secretary reported on the resource mobilization efforts undertaken in accordance with the *Strategic Plan for the Implementation of the Benefit-sharing Fund* and highlighted that, unless measures are taken immediately by the Contracting Parties, there would be a significant negative impact on the project cycle of the BSF and the functioning of the Treaty systems as a whole.

7. The Committee noted that Contracting Parties were not meeting the targets which they had set for themselves in the Strategic Plan for the implementation of the Benefit-sharing Fund. It noted that a large shortfall of funding had accumulated in relation to the Strategic Plan.

8. While recognizing the effects of the global financial downturn, in the interest of the functioning of the Fund and the Treaty, the Committee urged all Contracting Parties to give highest priority to reaching the global financial targets that have been set by the Governing Body in the Strategic Plan. Contracting Parties with a track record of international development assistance are strongly encouraged to continue playing a leadership role in supporting financially the Treaty.

9. The Committee advised the Governing Body to begin, at its Fifth Session, an exploration of all possible measures, including innovative approaches, that could address the shortfall accumulated in the Benefit-sharing Fund and create predictable and sustainable resources for the BSF in order to avoid a negative impact on the Treaty as a whole and to enable the completion of the governance of all PGRFA by the Treaty.

10. The Committee expressed its appreciation for the work on resource mobilization conducted by the Secretariat. It noted that direct contacts between the Secretariat and donors of the Fund through cultivation events, ongoing liaison and related activities in accordance with the Strategic Plan are of increased importance.

11. The established Communication Plan, which forms an integral part of the Strategic Plan, is key to effective resource mobilization efforts and must be continued by the Secretariat with increased vigor. It provides the Treaty with the means to showcase results and highlight issues. In this regard, any additional resources should be made available, if required, to ensure the continued seamless implementation of the communications plan.

12. The Committee advised that, following the Eleventh Meeting of the Conference of the Parties to the Convention on Biological Diversity, the discussions with the Global Environment Facility (GEF) should be resumed. It advised the Bureau to exercise flexibility regarding the legal and policy requirements for the development of the partnership with the GEF.

13. The ACFS noted the successful mobilization of resources through cultivation events under the Strategic Plan and requested the Secretary to further carry out the cultivation activities of the Strategic Plan. The ACFS highlighted in particular the importance of the Treaty's distinct branding, communication and media work which the Secretariat has implemented in relation to the Strategic Plan. In this regard it commended the Secretariat for the *Communication and Visibility Manual* it had developed to raise the profile and visibility of the Treaty and the Benefit-sharing Fund projects.

Innovative approaches

14. The Committee noted the uncertainty and lack of predictability of income for the Benefit-sharing Fund. This makes the development of innovative approaches for resource mobilization, which had already been requested by the Governing Body, a particularly high priority. In order for the Governing Body, at its Fifth Session, to begin an exploration of all possible measures that could address the shortfall accumulated in the Benefit-sharing Fund and create predictable and sustainable resources for the BSF in order to avoid a negative impact on the Treaty, the Committee reviewed several innovative approaches.

(a) African Group: Crop-based benefit-sharing

15. Angola presented an explanatory article on the “African proposal” which had been published in a book on the International Treaty.¹ This approach foresees a crop-related payment as an alternative to the product-based payment, including a payment of 0,5% when accessing PGRFA. The Committee agreed that Angola should further elaborate the proposal and that it would be provided to Committee members for further elaboration at the possible resumed meeting of the Committee in early 2013. This option is already reflected in the SMTA.

(b) Norway: Percentage of seed sales

16. Norway introduced its approach whereby a government would contribute to the Benefit-sharing Fund an annual payment equal to 0,1 percent of the value of all seeds that are sold in its territory.

17. Norway indicated that there might be an interest in exploring the possible closer incorporation of the Norwegian innovative approach into the SMTA under Article 6.11. This could be further explored and presented to the ACFS at its possible resumed meeting, subject to availability of resources.

(c) Syngenta: Percentage of technology transfer and licensing fees

18. A representative of Syngenta had presented the e-licensing platform of Syngenta and its approach for contributing to the Benefit-sharing Fund at the Information Session of the Committee.

19. The Committee appreciated the efforts of Syngenta and its partners under the projected industry licensing platform to create an innovative approach to sharing of monetary benefits from commercialization with the Benefit-sharing Fund of the Treaty. It considers that the development of such a mechanism could reduce transaction costs of technology transfer, incentivize technology dissemination, and contribute to the sustainable use of PGRFA.

20. The Committee, through its Co-chairs, and with the support of the Secretariat, invites Syngenta to provide further information on the proposal, with a view to exploring the development of a proposal on the establishment of the mechanism to the Governing Body of the Treaty. In particular, it would be helpful if the following questions could be answered:

1. What kind of incentives have motivated Syngenta to develop this innovative approach and partner with the Treaty?
2. What is the legal framework for the platform and how would it interface with the regulatory regime of the Treaty?
3. Which percentage of licensing fees would be shared with the Benefit-sharing Fund and what are your tentative projections of the yearly financial benefits accruing to the Benefit-sharing Fund from the mechanism?

¹ Carlos Correa. “An innovative option for royalty payment under the ITPGRFA: implementing the art.6.11 crop-related modality of the SMTA” In: *Plant Genetic Resources and Food Security: Stakeholder Perspectives on the International Treaty on PGRFA*. Edited by Christine Frison, Francisco Lopez and Jose Esquinas-Alcazar. Earthscan, 2011.

4. Taking this a mechanism that is in the Treaty's Platform for the Co-development and Transfer of Technologies, could you delineate the financial and non-financial benefits accruing to the Treaty?
5. What kind of technologies would be transferred through the e-licensing Platform?
6. What would be the conditions for developing countries to access the technologies on the e-licensing platform?
7. Could you develop a business model for the elicensing mechanism and its link with the Treaty?
8. To what extent do you foresee voluntary contributions to the Benefit-sharing Fund?

21. The Committee requested Syngenta to provide answers at its earliest convenience after consulting the relevant industry working group. Following the answers being provided by Syngenta, the Committee agreed to follow the roadmap provided below to elaborate a full proposal for a developed innovative approach for submission and consideration of the Governing Body:

1. after receiving the answers provided by Syngenta to the questions of the Committee, they will be circulated to the ACFS members;
2. within two weeks of receipt of the answers, ACFS members will provide comments and reactions to the responses to the Co-chairs via the Secretariat;
3. based on a compilation of the comments and reactions, co-chairs of the Committee will meet with the working group of the industry licensing platform of Syngenta;
4. the Co-chairs will aim to finish the development of a draft innovative approach with Syngenta by the end of 2012;
5. subject to the availability of resources, the resumed meeting of ACFS will take up the draft innovative approach;
6. the resumed session would wrap up the draft innovative approach and prepare it for submission to the Governing Body at its Fifth Session;
7. the report of resumed session would be added to the working documents of the Governing Body.

22. After considering these innovative approaches, the Committee requested further proposals for innovative approaches to be submitted by other Contracting Parties and stakeholders in writing for inclusion into a compilation of possible innovative approaches prepared by the Committee. This compilation of proposals by Contracting Parties and stakeholders will be incorporated under resource mobilization into the Report of the Committee to the Governing Body for consideration at its Fifth Session. The proposals, and advice on them, would be further elaborated at a possible resumed meeting of the Committee, subject to the availability of resources.

23. The agenda item was left open by the Co-chairs for potential continuation at the possible resumed meeting of the Committee.

Agenda Item 5 – Operation of the Benefit-sharing Fund

24. The Governing Body at its Fourth Session requested the *Ad Hoc* Advisory Committee to advise 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;

Implementation of the first and second rounds of the project cycle: background information

25. The Secretariat introduced information document *Implementation of the first and second rounds of the project cycle: background information*.² The Committee thanked the Secretariat for the comprehensive information provided and welcomed the progress made in the implementation of the project portfolio funded by the first and second rounds of the project cycle of the Benefit-sharing Fund. It stressed the importance of preparing and publishing a terminal report providing a synthetic account of the main results and success stories of the first project portfolio, as well as information on inclusion of materials and project management. The report should be brief and target donors, policy-makers and Treaty stakeholders. It welcomed the *Communication and Visibility Manual* elaborated by the Secretariat to raise the profile and visibility of the Treaty and the Benefit-sharing Fund during project implementation.

Review of lessons learned in the execution of the first and second rounds of the project cycle

26. The Secretariat introduced the document *Report on lessons learnt during the execution of the first and second rounds of the project cycle*.³ The Committee reviewed the *Report of lessons learned* and highlighted that it provides an excellent basis for making the rounds of the project cycle more cost effective and for improving transparency. The Committee used the *Report on lessons learned* to provide its advice in the review of Operational Procedures and in the design and structure of the third Call for Proposals. It requested the Secretary to submit the final *Report on lessons learned* to the Bureau.

27. The Committee recalled that the Governing Body had requested its advice on the screening of pre-proposals in future rounds of the project cycle. Two of the lessons learned (#3 and #4) relate to the screening of pre-proposals and provide suggestions to improve this step of the project cycle. The Committee emphasized that substantive work on the screening of pre-proposals should be undertaken by technical experts in evaluation of project proposals, and not by policy-makers or the Secretariat. It requested the Secretariat to explore options, taking into account existing models from other funds, for using a limited number of experts in a cost-effective manner in the screening of pre-proposals. It considered the possibility of having some of the experts of the Panel conducting the screening of pre-proposals in the future.

28. The Bureau of the Fifth Session of the Governing Body had requested the Committee to explore options with regard to eight project proposals that were favourably appraised by the Panel of Experts but not funded by the end of the previous biennium (31 December 2011), including the inclusion of these proposals in the next round of the project cycle. Lesson learned #10 deals with the need to clarify the procedures for presentation of projects favourably appraised to donors or for re-submission in the following round of the project cycle. The Committee considered various options for dealing with these project proposals in the third round of the project cycle, including

² T/ACFS-7/12/Inf.1

³ IT/ACFS-7/12/4

the re-submission of pre-proposal; the re-submission of full project proposals and the direct approval for funding.

29. The Committee recalled that the decision of the Bureau was to fund the eight project proposals referred above if additional funds became available in the Benefit-sharing Fund before the end of the biennium (31 December 2011). The Committee acknowledged that the Secretariat submitted the proposals to other donors for funding, including through FAO offices. The Committee recommended that applicant institutions be informed by letter that: (1) no additional funds became available by the end of the biennium, and (2) they are invited and encouraged to submit a pre-proposal to the third round of the project cycle, that will feature again a Window on Immediate Action Projects. Building on the lessons learned from the execution of the second round of the project cycle, the Committee recommended removing references in the Operational Procedures related to re-submission of proposals and to the presentation to donors of projects not fundable within that year.

30. The Bureau also requested that the *Report on lessons learned* should analyse the support provided by the Helpdesk in the second round of the project cycle. Lesson learned #5 refers to the Helpdesk function. The Committee emphasized the need to have a more focused and cost-efficient approach to capacity-building through the Helpdesk. The Helpdesk should focus on support to under-represented regions that have special features, such as small state islands, on funding priorities that require specific technical expertise, such as technology transfer. The Helpdesk should provide a language facility for Arabic in the third round of the project cycle.

Review of Operational Procedures

31. The document *Review of Operational Procedures*⁴ sought the advice from the Committee on the review of the Operational Procedures based on lessons learned from the first and second rounds of the project cycle. The Committee advised the Governing Body to finalize the review of the Operational Procedures on the basis of the draft provided in *Appendix 3*.

32. The Committee recalled that the Operational Procedures contained a footnote where the Governing Body was invited to address whether moneys under the direct control of the Governing Body, should where applicable, only be applied to Annex 1 Crops. The Committee advised the Governing Body to take a decision on this issue at its next Session taking into account the experience gained in the first two rounds of the project cycle. The value of underutilized crops for local food security and climate change adaptation was emphasized.

33. At its Fourth Session, the Governing Body acknowledged the importance of an inclusive process by which all regions feel committed. Arabic is currently not a language for submission of pre-proposals or project proposals of the Benefit-sharing Fund. The draft reviewed Operational Procedures contain two possible alternatives in this regard: (1) the inclusion of Arabic as a language for submission of pre-proposals of project proposals or (2) the provision of language facilities in Arabic through the Helpdesk for preparation of full project proposals. The Committee requested the Secretariat to prepare a brief analysis of cost implication of these two options, to enable decision-making by the Governing Body. The experience gained with the provision of language facility through the Helpdesk in the third round of the project cycle will also be relevant.

34. The Committee reviewed Section III of the Operational Procedures: Selection Criteria. It recognized the need for fewer criteria that will be objective and verifiable. It advised to publish a reduced set of criteria for appraisal, with their relative weights, at each round of the project cycle.

⁴ IT/ACFS-7/12/5

It suggested to rename Section III as *Guiding Questions for devising appraisal criteria*. The Committee agreed to continue refining the list of criteria through electronic communications.

35. The Committee welcomed the preparation of a policy of conflict of interest for the Benefit-sharing Fund. It reviewed the draft policy and thanked the Secretariat for having prepared a clear, simple and brief policy. It noted that the policy contains a provision for partners of the Benefit-sharing Fund and that the principle of direct control of the Contracting Parties should be maintained at all times in the conduct of the project cycle and the development of partnerships. The Committee submitted to the Bureau the *Draft Policy to manage conflict of interest and standards of conduct: Benefit-sharing Fund*, in Appendix 4, and recommended it be used as soon as possible.

Mid-term programmatic approach

36. The Secretariat introduced the document *Further development of the mid-term programmatic approach for the Benefit-sharing Fund*,⁵ which provided two models of results frameworks of different multilateral funds. The Committee emphasized the importance of having a medium term plan for the use of resources under the Benefit-sharing Fund, that will be similar to the models provided in the document, to be able to concentrate in a coherent and focused manner on areas of highest priority and highest expected impact. The plan should be developed to cover more or less a five-year time frame. For clarity, the midterm programmatic approach should be titled as medium term plan.

37. The Committee advised on structure and contents of the mid-term programmatic approach, including to:

- build upon the thematic focus of the second round of the project cycle and in full alignment with the priorities adopted by the Governing Body;
- take into account the experience and lessons learned from the design of previous rounds of the project cycle;
- develop a concise and simple results framework focused on achieving positive benefits and impacts for farmers and describing the different components of the programme, expected outputs and core indicators;
- make reference to contributions of the partners in the execution of the mid-term programmatic approach;
- include a built-in mechanism that enables the Governing Body review and update the programmatic approach whenever needed.

38. The following process was agreed:

- The Secretariat will prepare a draft of the mid-term programmatic approach, in consultation with the Co-Chairs.
- The draft of the mid-term programmatic approach will be circulated electronically to members of the Committee for their comments. Such comments will be incorporated into the draft by the Secretariat, in consultation with the Co-Chairs, if there is consensus and there are no conflicting comments.
- The final draft of the mid-term programmatic approach be submitted to the Governing Body, for approval.

Development of partnerships architecture

⁵ IT/ACFS-7/12/6

39. The Committee considered a document regarding the development of partnerships.⁶ It noted that securing of adequate implementation capacity as well as financing for the growing project portfolio of the Fund through the development of partnerships is crucial to ensure sustained high-quality implementation of the Fund and its project portfolios. It requested the Secretary to continue to explore and develop partnerships with those entities whose expressions of interest had been noted by the Governing Body with appreciation at its Fourth Session and to continue to explore possibilities of partnerships which might contribute further to financing and implementation capacity of the Benefit-sharing Fund.

40. The Committee mandated the Secretary to explore with relevant FAO Technical Units whether and under which terms they could provide technical implementation services for Benefit-sharing projects and to develop draft Terms of Reference for those Units to provide such services. The Committee highlighted that these discussions should be guided in particular by: paragraph 4 of the Conflict of Interest Policy (*Appendix 4*); the fundamental principle that resources in the Benefit-sharing Fund are, and must remain, under the direct control of the Governing Body; and a comparative review with other implementation entities of the cost-effectiveness and quality of services provided. The Committee requested the Secretary to report back to the Committee at its possible resumed meeting.

41. The Committee endorsed the standard stages for the establishment of long-term partnerships listed in paragraph 24 of document IT/ACFS-7/12/7 and, based on those standard stages, requested the Secretary to develop a draft standard procedure and cooperation framework for submission to the Bureau for its review.

Design and structure of the Third Call for Proposals

42. The Committee emphasized the importance of opening a third Call for Proposals as soon as possible. It reiterated the importance of maintaining the thematic focus for the third Call for Proposals as it constitutes a precise, consistent and concrete implementation of the priorities agreed by the Governing Body.

43. The Committee stressed the importance of the Window of Strategic Action Plans that was featured in the second round of the project cycle. Given its importance, the preparation and implementation of Strategic Action Plans will be included in the mid-term programmatic approach. The Committee recommended that future funding of Strategic Action Plans should focus on regional level and be based on the lessons learned from the on-going implementation of the current project portfolio, once the present portfolio has been completed. It advised that the third round of the project cycle will not feature a Window on Strategic Action Plans.

44. In view of the high demand for Immediate Action projects, the Committee advised that the third round of the project cycle will continue featuring a Window on Immediate Action Projects. The design of such Window should closely follow the features agreed for Immediate Action Projects in the second round of the project cycle. The design should also take into account the *Report on lessons learned* with regard to templates for submission of project proposals and criteria for screening and appraisal. The Committee agreed that most of the funding available for the third round of the project cycle be assigned to this Window.

45. The Committee emphasized that technology transfer is within the priorities for funding by the Benefit-sharing Fund adopted by the Governing Body and the importance of developing and

⁶ IT/ACFS-7/12/7.

testing innovative mechanisms for the co-development and transfer of technologies relevant to the Treaty. It noted that the co-development and transfer of technologies has not received so far the substantive and coherent focus that is being demanded by Contracting Parties and stakeholders.

46. The Committee also recognized the need to enable a full discussion on the implementation the non-monetary benefit-sharing mechanisms, and in particular technology transfer, by the Governing Body at its next Session. The Committee advised that a Window of the third Call for Proposals be dedicated to the co-development and transfer of technologies related to the Treaty coupled with capacity building in support of the thematic focus and in full alignment with the three priorities adopted by the Governing Body. Given the need for further guidance from the Governing Body on technology transfer, the Committee recommended that the funding available assigned to this Window be low for the time being.

47. The Committee requested the Secretariat to prepared a draft Call for Proposals based on the *Annotated Outline of the Third Call for Proposals*, in *Annex 1* of document IT/ACFS-7/12/8, and taking into account the *Report on lessons learned*. It noted that issues related to publishing figures on funding available and on considerations on geographical balance will need further discussion and decision-making and should be bracketed for the time being.

48. The Committee advised on the steps to finalize the design of the third Call for Proposals, including:

- In accordance with the Operational Procedures and based on the advice received from this Committee, the Secretariat will prepare a draft of the third Call for Proposals and the steps for its execution, including the screening of pre-proposals. The draft will be prepared in consultation with the Co-Chairs, and engaging the necessary expert advice.
- The draft of the Third Call for Proposals will be circulated electronically to members of the Committee for their comments. Such comments will be incorporated into the draft by the Secretariat, in consultation with the Co-Chairs, if there is consensus and there are no conflicting comments.
- The final draft of the Third Call for Proposals will be submitted to the Bureau for approval and issuance.

49. The Committee advised that the *Report on lessons learned* be used in the design and execution of the third round of the project cycle, including the suggestion for provision of a Helpdesk function that provides a language facility in Arabic for development of full project proposals. The Committee warmly thanked the European Commission for its financial contribution towards the provision of Helpdesk function for the third round of the project cycle and requested the Secretary to report to the European Commission on the progress with the third Call for proposals.

Agenda Item 7 – Monitoring of the implementation of the Funding Strategy

50. At its Third Session the Governing Body adopted Annex 4 of the Funding Strategy, Information and Reporting Requirements under the Funding Strategy. Annex 4 sets out the information and reporting requirements under the Funding Strategy of the Treaty, in order to facilitate the monitoring of the implementation of the Funding Strategy and the assessment of its efficacy by the Governing Body. Information is required on the financial resources under the Benefit-sharing Fund of the Treaty as well as on resources not under the direct control of the Governing Body that contribute to the Funding Strategy.

51. At its Fourth Session, the Governing Body emphasized the importance of monitoring the implementation of the Funding Strategy, and specifically of regular provision of information on resources not under the control of the Governing Body to raise the profile of the Funding Strategy of the Treaty and to assess gaps and synergies in the implementation of the Funding Strategy. The Committee emphasized the importance of providing information on the implementation of the projects funded by the Benefit-sharing Fund, as it contributes to the monitoring of the Funding Strategy.

Agenda Item 8 - Other business

52. The Committee thanked the Secretariat for the preparation and running of this meeting.

53. The Committee raised concern over the late dispatchment of documents for the meeting.

54. The Committee recommended that, subject to the availability of resources, the resumed meeting of the Committee be held in the first quarter of 2013 in order to complete remaining work of the Committee, particularly on innovative approaches and partnerships.

37. The Committee expressed its concern that the Treaty Secretariat team had faced considerable administrative obstacles in servicing the Committee meeting and that the Secretary had been unable to service the Information Session of the Committee due to such administrative constraints. The Committee requested the Co-chairs to follow up with the Chairman of the Fifth Session of the Governing Body, in the context of his discussions with the Director-General of FAO to resolve administrative obstacles for the Secretariat and ensure that the functional needs as identified by the Bureau are met.

38. It also recommended to Contracting Parties to emphasize the high degree of functional autonomy of the International Treaty on Plant Genetic Resources for Food and Agriculture at the forthcoming meetings of the FAO Committee on Constitutional and Legal Matters, FAO Programme Committee and FAO Finance Committee.

Agenda Item 9- Adoption of the report

55. The Committee adopted the report of its seventh meeting.

Appendix I

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Appendix 2

**INTERNATIONAL TREATY ON PLANT GENETIC RESOURCES
FOR FOOD AND AGRICULTURE****SEVENTH MEETING OF THE *AD HOC* ADVISORY COMMITTEE ON THE
FUNDING STRATEGY****Geneva, Switzerland, 18-20 September 2012****DRAFT PROVISIONAL AGENDA**

1. Opening of the meeting
2. Election of Co-chairs
3. Adoption of the agenda and time table
4. Resource mobilization for the Benefit-sharing Fund
5. Operation of the Benefit-sharing Fund
6. Monitoring the implementation of the overall Funding Strategy
7. Other business
8. Adoption of the report

Appendix 3

DRAFT REVIEWED OPERATIONAL PROCEDURES⁷

[This *Annex* contains Principles, Project Cycle and Selection Criteria.

I. Principles

These operational procedures are based on the following principles:

- Transparency and impartiality.
- Simplicity and accessibility.
- Efficiency and effectiveness.
- Quality and technical merit.

II. Project Cycle

The Governing Body delegates the authority for the execution of the project cycle during the biennium to the [Bureau]. There will normally be a new round of the project cycle every biennium.

The project cycle will consist of:

1. Opening a call for proposals
 - a. issued by the [Governing Body], in the official languages of the Treaty, and containing relevant information and procedures – priority areas;¹ submission forms for pre-proposals and project proposals; eligibility, appraisal and pre-screening criteria; timing and deadlines; expected funds available; crops addressed; requirements to projects funded by the Governing Body; main legal and financial provisions of project agreements;
 - b. advertisement on the Treaty website and through the national focal points and relevant regional bodies;
 - c. responsibility: prepared by the Secretariat, under the guidance of the [Bureau].
2. Submission of pre-proposals
 - a. in any of the Treaty languages plus a translation in either [Arabic,]English, French or Spanish;
 - b. according to an agreed format and within agreed deadlines;
 - c. [target: [2-3] pages;]
 - d. addressing the screening criteria;
 - e. responsibility: Contracting Parties or legal or natural persons,⁸ in consultation with the Contracting Party or Contracting Parties in question. The formal submission should be by Contracting Party or Parties in question to the Secretary of the Governing Body;
3. Screening and response to pre-proposals

⁷ Complete title: Operational Procedures for the use of resources under the direct control of the Governing Body (*Annex 3* of the Funding Strategy).

⁸ any governmental or non-governmental organization, including genebanks and research institutions, farmers and farmers' organizations, and regional and international organizations, based in countries that are Contracting Parties to the International Treaty, may apply for funding under the Benefit-sharing Fund.

- a. according to screening criteria published in the call – eligibility criteria and relevant criteria established as part of the call for proposals;
 - b. response to be provided within agreed timelines;
 - c. in accordance with the Policy of Conflict of Interests;
 - d. [responsibility: [Bureau], [on the basis of preparatory work by the Secretariat.] [The Bureau might work through email, and make its final decisions in a regular meeting]];
4. Submission of project proposals from approved pre-proposals
- a. in any of the Treaty languages plus a translation in either [Arabic,]English, French or Spanish;
 - b. according to an agreed submission form of project proposals and within agreed deadlines
 - c. addressing the appraisal criteria;
 - d. recipient and channels of payment will be identified;
 - e. list of submissions to be made public;
 - f. Helpdesk to be provided to support preparation of proposals, [including language facilities for Arabic;]
 - g. responsibility: Contracting Parties or legal or natural persons, in consultation with the Contracting Party or Contracting Parties in question. The formal submission should be by Contracting Party or Parties in question to the Secretary of the Governing Body.
5. Appraisal of project proposals
- a. ranking of project proposals according to appraisal criteria published in the call;
 - b. portfolio of project proposals meeting the requirements prepared for approval within agreed deadlines;
 - c. portfolio to be made public;
 - d. in accordance with the Policy of Conflict of Interests;
 - e. responsibility: a panel of experts designated ,from a Roster, by the [Bureau] in consultation with their Regions. The panel of experts will work without remuneration with resources provided under the core administrative budget for any meeting necessary. Terms of Reference of the Panel to be made public.
6. Approval of projects for funding within the project cycle
- a. according to the funds at the disposal of the Governing Body in that project cycle and the recommendations of the Panel of Experts;
 - b. [according to other possible considerations, such as geographical balance];
 - c. in accordance with the Policy of Conflict of Interests.
 - d. portfolio to be made public.
 - e. responsibility: [Governing Body, or, if delegated, the Bureau.]
7. Signature of project agreements and Disbursement
- a. disbursement according to procedures adopted by the Governing Body;
 - b. project agreements providing relevant legal and financial provisions and requirements from the Governing Body
 - c. responsibility: Secretary and senior management of executing institutions.
8. Reporting and monitoring
- a. according to procedures adopted by the Governign Body;
 - b. responsibility: The executing entity develops the monitoring products and deposits them with the Secretary.
9. Independent Evaluation

- a. use of standard evaluation procedures based on norms and standards of the United Nations Evaluation Group;
- b. evaluation of the sustainable effects and impacts of projects or groups of projects, providing accountability on results and aiming at facilitating the further development of the Funding Strategy;
- c. evaluation of the components of the Funding Strategy addressed under this annex will be periodically commissioned by the Governing Body;
- d. according to evaluation procedures adopted by the Governing Body.
- e. responsibility: the Governing Body.

[III. Selection Criteria

This section of the Operational Procedures provides a general framework of selection criteria being used in the appraisal of project proposals. The precise criteria for appraisal of project proposals in each round of the project cycle will be published in the Call for Proposals.

1. Project relevance.
 - a. Are the priorities of the Funding Strategy and the strategic principles and priorities established by the Governing Body for the allocation of funds at its disposal clearly incorporated and represented in the proposed goals and expected outputs of the proposal?
 - b. [Is the project contributing to a rational global conservation system? Is the project contributing to the Millennium Development Goals, in particular goals 1 and 7?]
 - c. What is the relevance of the project to a country's or region's priorities in its plans and programmes for PGRFA? What information is available on such priorities?
 - d. [Does the project duplicate activities already carried out or underway? Does the project complement activities already carried out or underway?]
2. Feasibility
 - a. Is the proposed activity feasible in terms of resources and timing? In particular, is the budget adequate to fully cover the proposed activities and produce the expected results?
3. Effectiveness and efficiency
 - a. Are the anticipated project costs warranted against the expected project results and benefits?
 - b. [Are the types of activities most effective towards achieving the project's net results, its outcome and impact?]
4. Benefits and beneficiaries.
 - a. Who are the immediate beneficiaries?
 - b. Will the results of the proposed project, directly or indirectly, reach the proposed beneficiaries?
 - c. [What is the potential contribution of the project to economic development?]
5. Team composition and capacity.
 - a. Can the capacity of the team be considered sufficient? Does the team include partners with different disciplines?
 - b. [Does the project proposal foresee use of available local expertise?]
6. Collaboration.
 - a. What is the extent of collaboration promoted by the project proposal?
 - b. [How does this collaboration contribute to the effectiveness and efficiency of the project?]
 - c. Is there counterpart funding or input in kind by the applicant?
7. Planning and Monitoring.
 - a. Have proper milestones and indicators been incorporated in the project proposal?
 - b. [Does the proposal indicate how project progress will be monitored and its impact assessed?]

- c. To what extent is the expected positive impact measurable?
8. Sustainability.
 - a. [How sustainable are the activities and beneficial changes introduced by the project?]
 - b. Is technology transfer and capacity building realized?
 - c. Has a training component been incorporated?
9. Geographic extension.
 - a. How wide is the geographic scope and impact of the proposed project?
 - b. [What is the global and/or regional importance of the project in achieving the objectives of the Treaty?]
10. Crop relevance.
 - a. What is the contribution of the crop or crops, for which activities are proposed, to global or regional food security and sustainable utilization?
 - b. What is the relevance of the crop or crops, for which activities are proposed, to the quality and diversity of the human diet or animal feed?
 - c. [What is the contribution of the proposed project to conservation and utilization of the crop's or crops' gene pool?]
 - d. Is the project addressing the conservation and/or utilization of a crop in one of its centres of diversity?
 - e. [To what extent is the gene pool covered by the proposed project activities threatened at a national, regional or global level?]

Appendix 4

DRAFT POLICY ON CONFLICTS OF INTEREST AND RELATED STANDARDS OF CONDUCT FOR THE BENEFIT-SHARING FUND**A. COVERAGE**

1. This policy applies to any member of intergovernmental or expert bodies involved in the screening of pre-proposals or the appraisal or approval for funding of project proposals by the Benefit-sharing Fund.
2. It is the responsibility of each individual covered by this policy to observe its terms. Individuals who are covered by this policy will normally be notified of this, but if any individual is in doubt as to its application to her or him, she or he should verify with the Secretary. Any individual or institution not covered by this policy that considers there may be an actual or potential conflict with any pre-proposal or proposals should refer such case to the Secretary. The Secretary will inform the Chair or Co-Chairs of the relevant intergovernmental or expert body.
3. Partners and other institutions involved in the operations of the Benefit-sharing Fund and its project cycle should avoid entering into cases of conflict of interest when structuring the partnership with the Fund and making their contributions to the project cycle. They should acknowledge at all times that the Benefit-sharing Fund is under the direct control of the Governing Body.

B. GENERAL PROCEDURE*When a conflict arises*

4. This policy relies on each individual to consider whether she or he may have, or be perceived to have, any actual or potential conflict with any proposal that is being considered by the Benefit-sharing Fund.
5. Examples of a conflict of interest are:
 - To be actively involved in the future execution of the project, in particular as part of the project staff or team;
 - To be employed by the same institution as the applicant institution or its partners in the project implementation;
 - To work closely with the applicant institution or its partners in the project implementation, for example as a co-author or PhD Supervisor, or to have worked closely in the last 4 years;
 - To hold a current position on the governing body of or an honorary position with the applicant institution or its partners in the project implementation;
 - To receive personal remuneration from the applicant or its partners in the project implementation;

- To entertain personal/family relationship with any of the project staff or team.

6. The above list of examples is not exhaustive. These are only intended as examples and not as a complete or exhaustive list. Conflict situations may include situations beyond those indicated above that an individual is required to declare under this policy.

7. In considering whether a conflict arises, an individual should treat the interests of anyone with whom the person subject to this policy has a significant personal relationship as if they were the individual's own interests. This will include any partner, anyone living in the same home and anyone whose financial affairs the individual has responsibility for.

General procedure for managing conflicts

8. If an individual has an actual or potential conflict of interest in any pre-proposal or proposal that is being considered by the Benefit-sharing Fund:

(1) the individual should disclose the conflict to the Secretary in writing;

(2) the individual must abstain from any decisions relating to that pre-proposal or proposal. In particular:

(a) she or he shall not be involved in the process of screening of the pre-proposal, appraisal or approval of a project proposal;

(b) she or he shall not receive any documentation relating to that pre-proposal or project proposal;

(c) she or he shall not take part in any decisions taken in relation to such a pre-proposal or proposal; and,

(d) she or he shall abstain from the relevant part of any meeting where the pre-proposal or proposal is considered.

(e) she or he shall be replaced by another representative from the Region, whenever possible.

9. All individuals serving under any capacity in the process of screening the pre-proposals, appraisal or approval of project proposals, are required to facilitate the management of any potential or actual conflict of interest, as the Secretary may require. Any dispute about whether a conflict may exist may be referred to the Chair of the Governing Body for a decision or, in the case of disputes relating to a Chair of the Governing Body in that capacity, to one of the Vice-Chairs of the Governing Body.

Policy for funding in relation to members of intergovernmental or expert bodies

10. The following policy for funding of the activities of members of decision-making committees shall apply:

(1) Members of intergovernmental or expert bodies may continue to hold any funding they hold from the Benefit-sharing Fund at the time of appointment.

(2) Members of intergovernmental or expert bodies involved in a new round of the project cycle shall abstain from applying for new funding under such round.

C. CODE OF CONDUCT

Advice on pre-proposals and proposals

11. Members of intergovernmental or expert bodies involved in the screening of pre-proposals or the appraisal or approval for funding of project proposals by the Benefit-sharing Fund may be asked to provide general support, mentoring and guidance to colleagues in applicant institutions that may be seeking funding from the Benefit-sharing Fund. There is no objection to this support being provided, nor to members sharing publicly available information about the policies or procedures of the Benefit-sharing Fund, if requested. Members shall not disclose any non-public available information, such as details of proposals or rating by experts of individual proposals.

12. If a member is approached for specific advice (including technical advice) on an application to the Fund, the member may provide such advice (subject to the restriction in paragraph 11 above) but shall disclose this fact to the Secretary. The member will be regarded as having a conflicting interest in that application.

Discussions outside meetings

13. A member shall not, prior to a meeting of an intergovernmental or expert body, discuss any pre-proposal or project proposal which is to be considered at that meeting with any other member responsible for the consideration of that pre-proposal or project-proposal. If a member has any such discussion, she or he must report this to the Secretary at, or before the start of the meeting.

Confidentiality of pre-proposals or proposals, and decision making

14. The contents of papers and correspondence relating to pre-proposals and project proposals are strictly confidential. Members of intergovernmental or expert bodies also have the right to expect that the Treaty Secretariat and other members will treat their comments with confidentiality. Accordingly, all members of the intergovernmental or expert bodies:

- (1) Shall keep papers secure and not disseminate them to anyone.
- (2) Shall not discuss pre-proposals or project proposals with anyone else (including colleagues based at the member's host institution and referees) without prior permission from the Secretary.
- (3) Shall keep the identity of applicants and experts assigned to individual pre-proposals or proposals confidential at all times.
- (4) Shall not discuss with applicants, either in connection with the applicants' own pre-proposal or project proposal or any other application, or anyone else any aspect of the deliberations or recommendations regarding an application. Feedback will be provided as appropriate by the Secretariat. Members shall refuse any requests for information or for an explanation of how a particular decision was reached – all such requests must be referred to the Secretariat.

15. Members of intergovernmental or expert bodies who are approached by individuals or organizations for information on the status or outcome related to their specific pre-proposals or project proposals should always refer all such enquiries to the Secretariat.