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REPORT ON LESSONS LEARNED DURING THE EXECUTION OF THE FIRST AND SECOND ROUNDS OF THE PROJECT CYCLE

Note by the Secretary

1. This document contains the final Report on lessons learnt during the execution of the first and second rounds of the project cycle of the Benefit-sharing Fund. At its Fourth Session, the Governing Body requested the Secretary, through Resolution 3/2011, to prepare, for the Bureau of the Fifth Session of the Governing Body, 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.[1]

2. In preparing the Report, the Secretariat followed the guidance of the Bureau of the Fifth Session in terms of process and contents.[2] It requested the Secretary to submit the final report on lesson learned to the *Ad Hoc* Advisory Committee on the Funding Strategy for its review and, specifically, for its advice on solutions to streamline and make the rounds of the project cycle more cost effective.

3. The Committee, at its seventh meeting, 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 of the Fifth Session. The Bureau, at its second meeting, welcomed the *Report on lessons learned* and requested the Secretariat to issue the latest version as an information document.[3]

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[1] Resolution 3/2011, Part II, paragraph 23.

[2] *Report of the First Meeting of the Bureau of the Fifth Session of the Governing Body*.

[3] IT/GB-5/13/Inf.4. *Report of the Seventh Meeting of the Ad Hoc Advisory Committee on the Funding Strategy*. Paras. 26-30. http://www.planttreaty.org/sites/default/files/acfs7re.pdf

REPORT ON LESSONS LEARNED DURING THE EXECUTION OF THE FIRST AND SECOND ROUNDS OF THE PROJECT CYCLE

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I. BACKGROUND

1. At its Fourth Session, the Governing Body requested the Secretary, through Resolution 3/2011, to prepare, for the Bureau of the Fifth Session of the Governing Body, 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.[4]

2. This document contains such final report. It has been prepared, as requested by the Bureau of the Fifth Session, utilizing the following sources: feedback from present and past Bureau members; inputs from the Report of the Co-Chairs of the Panel of Experts; inputs from the Co-Chairs of *Ad Hoc* Advisory Committee; inputs from the Helpdesk Report; and, inputs by partners of the Benefit-sharing Fund and other relevant sources. The Secretary also requested inputs from the main researchers and experts responsible for the implementation of first-cycle projects. Lessons learned by the Secretariat have also been integrated in this document.

3. The Bureau considered a first draft on lessons learned and requested the Secretary to provide additional information and data to complete the report, including on: the effectiveness and transaction costs of the project cycle; the support provided by the Helpdesk; and the proposals favourably appraised but not funded by the end of the last biennium. The report should further identify the problems faced in executing the first two rounds and examine, in a short section, how to overcome the bottlenecks identified in the first two rounds and further improve the cost-effectiveness and transparency in designing and executing the next round of the project cycle. [5]

4. The Bureau requested the Secretary to submit the final report on lesson learned to the *Ad Hoc* Advisory Committee on the Funding Strategy for its review and, specifically, for its advice on solutions to streamline and make the rounds of project cycle more cost effective. 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.

5. In order to follow the advice of the Bureau, each lesson learned starts with a background introduction that identifies problems and bottlenecks faced in the first two rounds of the project cycle. More background information and data on the first and second rounds of the project cycle can be found in information document, *Implementation of the first and second rounds of the project cycle: background information*.[6] Suggestions on how to overcome bottlenecks and build upon the lessons learned are made after the background introduction.

II. LESSONS LEARNED ON THE *OPERATIONAL PROCEDURES*

6. The *Operational Procedures* of the Benefit-sharing Fund were adopted by the Governing Body at its Second Session, as Annex 3 of the Funding Strategy. The *Operational Procedures* contain sections entitled, Principles, Project Cycle and Selection Criteria. This section provides a review of lessons learned on the project cycle and the selection criteria. It does not attempt to draw lessons learned from the principles underpinning the *Operational Procedures*.[7] These

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[4] Resolution 3/2011, Part II, paragraph 23.

[5] *Report of the First Meeting of the Bureau of the Fifth Session of the Governing Body*.

[6] Information document *IT/ACFS-7/12/Inf. 1*.

[7] The *Operational Procedures* of the Benefit-sharing Fund are based on the following principles:
(1) Transparency and impartiality; (2) Simplicity and accesability; (3) Efficiency and effectiveness.

principles are still valid and should be taken into account in the review of the Operational Procedures. The lessons learned on the project cycle have been listed following steps of the project cycle from *Opening of a Call of Proposals* to *Independent Evaluation* for which they are relevant.

2.1 PROJECT CYCLE

LESSON LEARNED # 1.

The planning of each round of the project cycle should be done according to the funding at disposal, to the expected outputs, and to the need for a high-quality process.

Background:

7. The *Operational Procedures*, in its *Section II. Project cycle*, indicate that the project cycle will normally have a duration of two years and consist of the period between sessions of the Governing Body. This would entail that all steps of each round of the project cycle, from the opening of the Call for Proposals to the Independent Evaluation are to be undertaken in the biennial intersessional period.

8. The *Operational Procedures* indicate that the opening of the Call for Proposals is undertaken by the Governing Body. This implies that the opening of a Call will coincide with the meetings of the Governing Body. In practice, none of the two Calls for Proposals so far were issued by the Governing Body. Instead, the Bureau of each Session of the Governing Body issued the Calls, since at its Third and Fourth Sessions, the Governing Body delegated the authority for the execution of the project cycle during the biennium to the Bureau.

9. The total duration of the project cycle, for both the first and second rounds of the project cycle, will be longer than a two year-period. The *Operational Procedures* were adopted before the Benefit-sharing Fund was made operational, so it may be appropriate to reflect upon the scheduling and duration of the project cycle. The planning of the opening of a Call for Proposals should take into account issues related to the funds available, the types of projects to be funded and the expected impact.

10. The first Call for Proposals, which was issued in 2009 by the Bureau of the Third Session of the Governing Body, did not indicate the expected funds available to the Governing Body for that Call. The second Call for Proposals in 2010 indicated a specific amount and expected that funds for the Call would be at least USD 10 million. While best efforts were made by the Contracting Parties, the contributing partner, and the Secretariat to coordinate different institutional terminologies and requirements, at the time of the opening of the Call, the funds at the disposal of the Governing Body were less than the funding expected at the time of approval of the projects. This was due to the fact that, despite detailed presentations made to the Ad Hoc Advisory Committee on the Funding Strategy and the Bureau by contributing partners regarding their contributions to the Call, a major contribution to the second Call for Proposals from a partner did not materialize as foreseen. It is therefore recommended that the next rounds of the project cycle should indicate the funds at disposal of the Governing Body at the time of the opening of the Call for Proposals.

11. The first Call for Proposals was scheduled to have the projects approved for funding during the Third Session of the Governing Body. The second Call for Proposals was also originally scheduled to have the projects approved for funding during the Fourth Session of the Governing Body. In order to meet the timelines envisaged by Contracting Parties, a tight schedule was set up at the opening of the second Call for Proposals that required applicants to work rapidly

and during the holiday season in the pre-proposals and project proposal phases, and the Helpdesk to organize various workshops in developing country regions in a very short period of time. The experts of the Panel of Experts had very limited time to undertake the appraisal of a large number of project proposals and met only weeks before of the Session of the Governing Body. Unfortunately, at the time of closure of its first meeting, the Panel of Experts was not able to collectively assess and rank the full project portfolio and provide the expected results for the approval of proposals.

12. The approval of the projects during a session of the Governing Body can provide benefits to the Treaty in terms of political balance and media exposure. However, the lesson learned from the second Call for Proposals is that there are other factors and objectives to take into account in scheduling a Call for Proposals, in particular the need to ensure a high-quality process for project preparation, submission, appraisal and implementation. The period preceding a meeting of the Governing Body is also very work-intensive for the Treaty Secretariat. This should be taken into account in planning the future rounds of the project cycle of the Benefit-sharing Fund.

Suggestions:

13. Section II of the *Operational Procedures* (*Project cycle*) may include new text where the Governing Body delegates the authority for the execution of the project cycle during the biennium to the Bureau or any other relevant intergovernmental body.

14. It may be appropriate to remove references to the duration of the project cycle in the *Operational Procedures* and the definition of the project cycle as the period between meetings of the Governing Body. The *Operational Procedures* may, however, state that a new round of the project cycle is expected to be opened every biennium, if funds are available, in order to retain the periodicity of the *initiation* of rounds of the project cycle which was foreseen by the Governing Body.

15. The timing and deadlines published in each Call for Proposals should allow for a high-quality process. The approval of the projects for funding should be undertaken at the meetings of the Governing Body only as far as possible within such realistic timing.

LESSON LEARNED # 2

A complete overview of the timeline and requirements of the project cycle should be provided at the time of the Call for Proposals, to enhance transparency and effectiveness of the rounds of the project cycle.

Background:

16. Step 1 of the project cycle (*Opening of a Call for Proposals*) indicates that the Call is to contain relevant information and procedures. The first Call for Proposals was very short and contained only essential information, mainly on how to apply for a grant, deadlines and how to submit a pre-proposal. The second Call for Proposals was far more structured and sophisticated. It introduced the thematic focus and funding priorities of the Call for Proposals; the expected funds; the types of applicants; the channels of submissions and an overview of the project cycle. It then described the two Windows for funding in the Call for Proposals detailing rationale, scope, expected size and duration of projects, and the criteria for screening the pre-proposals. The Call for Proposals had four annexes, including information on criteria and additional requirements, list

of Contracting Parties eligible to apply, list of National Focal Points and Permanent Representatives to FAO of eligible Contracting Parties; and the Pre-proposal Submission Form.

17. It should be noted that the *Operational Procedures* include the following footnote on Step 1 of the project cycle (*Opening of a Call for Proposals*): "*The Governing Body may wish to address the following issues: whether moneys under the direct control of the Governing Body should, where applicable, only be applied to Annex 1 Crops; whether the germplasm resulting from projects funded by the Governing Body should be made available according to the terms and conditions of the Multilateral System.*"

18. The footnote referred to above was introduced by the *Ad-Hoc* Committee on the Funding Strategy and directed to the Governing Body. While the Governing Body dealt with the issue of germplasm resulting from benefit-sharing projects at its Third Session, the issue of funding only projects for Annex 1 Crops has never been dealt with directly by the Governing Body. The information document *Implementation of the first and second rounds of the project cycle: background information* provides further information on Annex 1 / non-Annex 1 plant genetic resources for food and agriculture covered by the two first rounds of the project cycle.

19. Future rounds of the project cycle should follow the pattern introduced with the second Call for Proposals. To enhance transparency and effectiveness of the process, a comprehensive information package should be given to applicants at the time of the opening of a Call for Proposals, including information on the practical and simple measures and systems which the Governing Body requested the Secretariat to develop to facilitate that entities implementing Benefit-sharing Fund projects meet the requirements of publicly making available information generated by these projects within 1 year of the completion of the project.

20. Applicants, National Focal Points and Permanent Representatives to FAO should, at an early stage, be aware of, the requirement that plant genetic resources for food and agriculture listed in *Annex 1* of the International 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 these projects shall be made available within 1 year of the completion of the project.

21. Templates for project proposals, and forms and guidelines for their preparation should be also annexed to the Call for Proposals. Applicants will be able to realise the volume of work required for preparing a high-quality proposal and the capacity needed to implement the project, if funded.

22. Project agreement templates, or at least a summary of its provisions that have legal and financial implications should also be annexed to the Call for Proposals. Providing this information at an early stage will reduce the time required for finalization and signature of project agreements.

23. Finally, it is also important to provide not only the criteria for screening pre-proposals and appraisal of proposals but also the methodology for use of these criteria, early in the project cycle. Applicants will benefit from complete information on how pre-proposals and proposals are approved, and be able to add critical information to the submissions that may otherwise not be deemed relevant.

Suggestions:

24. Future rounds of the project cycle should indicate the plant genetic resources for food and agriculture to be addressed through the Windows of the Call for Proposals. The Governing Body needs to address this policy issue.

25. All critical information for preparing a high-quality project proposal should be provided early in the project cycle, preferably when opening the Call for Proposals. A comprehensive information package should be given to applicants to enhance certainty and transparency in the process, including *inter alia*:

- size and duration of projects;
- plant genetic resources for food and agriculture to be addressed;
- range and nature of applicants;
- classification of developing countries;
- requirements for the inclusion of germplasm into the Multilateral System and use of information generated by projects funded, includingpractical and simple measures and systems to facilitate that these requirements can be met;
- guidelines for preparation of pre-proposals and project proposals, including budgets and particularly items and activities that will not be funded;
- official submission channels;
- conditions for participation of Non-Contracting Parties in regional proposals;
- timetable of all steps in the project cycle;
- screening and appraisal criteria, and expected weight of the criteria;
- summary of general provisions of the project agreement templates that have legal and financial implications for the applicant;
- time spans between the submission of pre-proposals, the submission of full proposals, the approval of proposals, the signature of the Agreement, and the start of project implementation.

LESSON LEARNED # 3

Undertaking a thorough screening that limits the number of approved pre-proposals will increases the cost-effectiveness and efficiency of the project cycle.

Background:

26. More than 400 pre-proposals were submitted to the Treaty Secretariat during the first and second rounds of the project cycle. This is a high number of submissions compared to the 11 projects approved for immediate funding in the first round of the project cycle and the 19 projects approved for immediate funding in the second round of the project cycle.

27. For the first round of the project cycle, more than 60 pre-proposals were invited to submit a full project proposal. For the second round of the project cycle, the number doubled and more than 120 pre-proposals were invited to submit a full project proposal.

28. The lesson learned is that increasing the numbers of applicants invited to prepare full project proposals can generate bottlenecks and negative effects in the next steps of the project cycle. The negative effects on the project cycle can be summarized as follows: too many applicant institutions have to work hard and with a tight deadline to prepare a full project proposal; the Helpdesk has to reach a wide range of applicant institutions instead of having a more focused and cost-efficient approach to capacity-building for the preparation of projects; each expert has to appraise a large number of project proposals and the Panel of Experts has to deal

with a large portfolio of full project proposals; the Treaty Secretariat also has to manage a large portfolio of full project proposals to organize, store and submit to experts, and has to maintain correspondence with a large number of applicant institutions.

29. Future rounds of the project cycle should follow the pattern of the first Call for Proposals. The screening of pre-proposals should result in a limited and manageable portfolio of full project proposals. This will require a thorough screening process, based on rigorous screening criteria, that limits the number of pre-proposals approved for developing into full project proposals. As further described in lesson learned #4, the challenge is to identify the methodology and expertise to conduct such thorough screening processes.

30. To enable a thorough screening process, the pre-proposals are to contain sufficient detail to allow for the application of screening criteria. Step II of the project cycle (*Submission of pre-proposals*) indicates that the target is to have pre-proposals of 2-3 pages addressing the selection criteria. There are 9 categories of selection criteria and 28 selection criteria in the *Operational Procedures* and, consequently, it is rather difficult to address all criteria in a 3-pages document. In fact, most pre-proposals submitted in the second round of the project proposal were longer than 3 pages.

Suggestions:

31. The screening of pre-proposals in future rounds of the project cycle should result in a limited and manageable portfolio of full project proposals.

32. While the pre-proposals should be concise and address only key aspects of the project, they should be sufficiently detailed to enable a thorough screening process.

LESSON LEARNED # 4

The screening of pre-proposals and the appraisal of proposals should form an integrated process.

Background:

33. The *Operational Procedures* assign the responsibility for screening pre-proposals, on the basis of preparatory work by the Treaty Secretariat, and the responsibility for appraisal of the project proposals, on the basis of recommendations by an independent Panel of Experts, to the Bureau. The screening is conducted according to eligibility criteria and other relevant criteria established as part of the Call for Proposals and the appraisal is conducted according to the selection criteria set forth in the *Operational Procedures*.

34. During the first round of the project cycle, the Bureau met to screen the pre-proposals received. In order to reduce the number of pre-proposals invited to prepare a full proposal, a number of additional criteria were applied. Such criteria had not been published in the Call for Proposals. During the second round of the project cycle, the Bureau agreed that the *Ad Hoc* Committee on the Funding Strategy would review the preparatory screening by the Treaty Secretariat and advise the Bureau accordingly. The Committee recommended to the Bureau a portfolio of pre-proposals to be invited to prepare full project proposals. In addition, the Bureau decided to further invite a few other pre-proposals to improve the capacity and participation of under-represented regions, on an exceptional basis.

35. The Panel of Experts was responsible for the appraisal of project proposals in the first and second rounds of the project cycle. The Panel did not meet during the first round but met twice during the second round. More background information on the Panel is available under Lesson Learned # 8.

36. So far, different bodies have undertaken the screening and appraisal, applying different criteria and methodologies. In future rounds of the project cycle, the screening of pre-proposals and the appraisal of proposals should be planned and undertaken in an integrated manner. There should be a continuum between the screening of pre-proposals and the appraisal of proposals. Both processes require an appropriate technical expertise in evaluating project proposals and the Treaty should not play a substantive role in the screening of individual pre-proposals.

Suggestions:

37. In future rounds of the project cycle, the screening of pre-proposals and the appraisal of proposals should be planned and undertaken in an integrated manner.

38. The substantive work on the screening of pre-proposals should be undertaken by technical experts with experience in evaluation of project proposal, and not by policy-makers or the Secretariat.

39. Options should be explored, 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. Consideration should be given to the possibility of having some of the experts of the Panel conducting the screening of pre-proposals in the future.

LESSON LEARNED # 5

A Helpdesk function is needed especially to support the elaboration of project proposals, including, where relevant, through language facilities.

Background:

40. Following the advice of the *Ad Hoc* Advisory Committee on the Funding Strategy, the Bureau agreed to establish a Helpdesk function to support the preparation of pre-proposals and full project proposals during the second round of the project cycle. The Helpdesk function was financially supported through the Joint Programme for Capacity Building for Treaty implementation.

41. During the pre-proposal phase, the Helpdesk provided all applicants with relevant information upon request, offered technical support for submitting pre-proposals, specifically in relation to the Pre-proposal Forms, the channels to be used to submit pre-proposals, eligible Contracting Parties, acknowledgement of receipt of pre-proposals. The Helpdesk received around 135 inquiries by e-mail from potential and actual applicants, which were answered within 4 days from reception.

42. During the preparation of full project proposals, the Helpdesk continued assisting applicants by e-mail with procedural issues. In addition, a series of regional workshops coached applicants under Window 1 (Development of Strategic Action Plans) to prepare high-quality proposals. The Helpdesk function privileged under-represented regions, including through the regional workshops.

43. The regional workshops took place in Cairo, Egypt; Ouagadougou, Burkina Faso; Nairobi, Kenya; Lima, Peru; and Chenai, India. All applicants under Window 1 who had been selected to present full project proposals were invited to the two- day workshops. Only those applicants under Window 2 (Support to the implementation of immediate action projects) who were from under-represented regions (i.e. Near East and South West Pacific) were invited, as the Bureau of the Fourth Session of the Governing Body requested.

44. During the Helpdesk workshops, applicants were coached on how to prepare project proposals and received specific feedback from experts on areas for improvement.

45. The coaching function of the Helpdesk was very well received by the applicants, who, reportedly, gained real benefits from technical support and also had the opportunity to meet other applicants for possible future technical partnerships.

46. At its Fourth Session, the Governing Body welcomed 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. The Governing Body also acknowledged the importance of an inclusive process by which all regions feel committed, noting that the provision of helpdesk functions and language facilities, as well as the coaching workshops, contributed to the goal of ensuring that quality and technical merit determine the appraisal and approval of full project proposals in future rounds of the project cycle.

Suggestions:

47. Partners of the Governing Body and of Treaty initiatives for the further development of the project cycle should become involved in the provision of the Helpdesk function.

48. In future rounds of the project cycle, the Helpdesk function should have a more focused and cost-efficient approach to capacity-building for preparation of project proposals. The Helpdesk should focus to support to under-represented regions that have special features, such as small state islands, and build capacity on funding priorities that require specific technical expertise, such as technology transfer. Such expertise could be provided by partners of the Treaty or Treaty initiatives who hold specific technical expertise on the areas covered by those funding priorities.[8]

49. Consideration should be given to the use of Arabic in the project cycle. The provision of a language facility in Arabic for development of full project proposals could be an initial step.[9]

LESSON LEARNED # 6

Templates for submission of project proposals should be improved and include guidelines.

Background:

[8] See the document on the development of a partnership architecture for the BSF on the kinds of partnership arrangements that can faciliate the provision of such expertise and support to the Helpdesk (e.g. IT/12/ACFS/7/5, paras 10(viii) and 11)

[9] Submission of pre-proposals and proposals is currently done in either English, French or Spanish.

50. The templates for project proposals for the second round of the project cycle were developed based on project formats of multilateral institutions such as the Global Adaptation Fund or FAO. The Treaty Secretariat also prepared guidelines for the preparation of project proposals, with the support of the consultants who were providing the Helpdesk function. The second Call for Proposals had two different Windows. The structure of the proposal templates was similar, although the guidelines made reference to specific information of relevance to each Window.

51. The templates for project proposals developed for the second round of the project cycle can easily be improved for use in future rounds of the project cycle. Some experts of the Panel of Experts for appraisal of proposals indicated some major limitations of the current templates. For example, some of the information required to apply certain selection criteria was not requested in the templates. Certain selection criteria implied that the experts had to search through different sections of the project proposals, which made the appraisal less effective and more subjective. There should be a greater synchronization between the structure and contents of proposals and the criteria used for appraisal.

52. The guidelines for preparation of project proposals are to be further improved. They contained very succinct information on certain project components that are particularly relevant for administrative purposes, in relation to the preparation of project agreements, especially with regard to budgets. As a result, some of the successful applicants had to further elaborate or clarify specific aspects related the budget in order to meet FAO standards for agreements with not-for-profit organizations. In order to facilitate the finalization of the budgets, the Treaty Secretariat prepared guidelines for use by applicant institutions. These guidelines are readily available to guide the preparation of project proposals in future rounds of the project cycle.

Suggestions:

53. It is suggested to improve the existing templates for project proposals and the guidelines for preparation of project proposals in order to have the complete information needed for a cost-efficient and objective appraisal of proposals, and to facilitate a rapid finalization of project agreements once funding has been approved.

54. Proposal templates should further be standardized in terms of: description of methodologies used; maximum number of words by section; budget lines, including integration of co-financing and acceptable levels of overhead. The proposal forms need to clearly distinguish those sections that are subject to expert appraisal and those that provide administrative information for the Treaty Secretariat. Endorsement letters from partners should be submitted. Applicants and partners should accept the requirements for receiving funds at the time of submission of proposals.

LESSON LEARNED # 7

There should be a policy on conflict of interests for the screening of pre-proposals, and the appraisal and approval of project proposals.

Background:

55. No cases of real or potential conflict of interests were reported or identified in the conduction of the first round of the project cycle. During the second round of the project cycle, the Panel of Experts developed a definition and a practice of how to deal with conflict of interests in the appraisal of project proposals. The Bureau also identified and dealt with a limited number of cases of conflicts of interest during the approval of proposals. As a result, the Bureau requested the Secretary to prepare a draft policy to manage conflicts of interest.

Suggestions:
56. Once adopted, the policy of conflict of interest should become part of the *Operational Procedures* of the Benefit-sharing Fund.

57. Building upon the lesson learned # 4, the policy on conflicts of interest should cover the screening of pre-proposals, as well as the appraisal and approval of project proposals.

LESSON LEARNED # 8

The capacity of the Panel of Experts to conduct a high-quality and independent appraisal process is to be enhanced further.

Background:

58. The responsibility for the appraisal of project proposals in the project cycle is given to the Bureau, on the basis of recommendations by a panel of experts designated by the Bureau in consultation with their Regions. The *Operational Procedures* mention that the experts work without remuneration, with resources provided under the core administrative budget of the Treaty for any necessary meeting. The Governing Body decided that the Panel of Experts for project proposal appraisal be composed of at least two experts per Region in each project cycle (i.e. 14 experts in total), selected by the Bureau, in consultation with the Regions, from a roster of experts. The roster of experts is established by the Treaty Secretariat based on experts identified by the Bureau, the Secretary and other stakeholders.

59. The practice so far is that it is actually the Panel of Experts and not the Bureau which conducts the appraisal of individual project proposals. In both rounds of the project cycle, the appraisal process started by submitting each project proposal to three experts, one of whom was from the Region of the applicant. The Panel worked based on an Evaluation and Ranking Form prepared by the Treaty Secretariat. Experts were requested to rank the project proposals from 0 to 5, according to the selection criteria of the *Operational Procedures* and, in the case of the second round of the project cycle, according to criteria established as part of the Call for Proposals. The Panel of Experts did not meet for the first round of the project cycle.

60. The Panel of Experts for the appraisal of project proposals of the second round of the project cycle met once but was not able to collectively assess and rank the portfolio of project proposals. The Governing Body recognized that the work undertaken by the Panel within the limited time available did not yet provide the results expected to determine the approval of project proposals. It emphasized on the importance of having a clear and tested procedure to conclude the appraisal based on the work already done by the Panel, with clear steps on how to conclude it and ensuring a more harmonious and standardized scoring by individual experts.

61. The Panel of Experts for the appraisal of project proposals of the second round of the project cycle developed a protocol that ensured a more harmonious and standardized scoring by individual experts and the collective appraisal of the list of project proposals presented to the Bureau. The Bureau endorsed the full report of the Co-Chairs of the Panel of Experts and expressed its appreciation for the excellent technical work and scientific review carried out by the

Panel through a clear, transparent and simple procedure. The Bureau took note of the lessons learned during the appraisal to support the design and execution of the project cycle and its future rounds.

62. The meeting of the Panel of Experts added value to the appraisal, as experts clarified the scores, comments and recommendations made to the Bureau regarding the approval of project proposals, and to the Treaty Secretariat for the preparation of project agreements.

Suggestions:

63. Terms of reference should be prepared for the Panel building upon the experience gained and the protocol used in the second round of the project cycle and the lessons learnt from other appraisal processes. The terms of reference should set forth that the Panel of Experts for project proposal appraisal be composed of at least two experts per Region in each project cycle (i.e. 14 experts in total), selected by the Bureau, in consultation with the Regions, from a roster of experts. It should be established that the roster of experts is established by the Treaty Secretariat based on experts identified by the Bureau, the Secretary and other stakeholders, and that project proposals are appraised by three experts, one of who shall be from the Region.

64. Building a core group of knowledgeable experts will underpin a consistent and pragmatic approach to the appraisal. The Panel of Experts could get support from additional specialists in the roster of experts who can add value to the appraisal of certain proposals given their expertise in a certain topic, region or language skills.

65. The collegial atmosphere of the Panel should be maintained, as well as the focus on technical and scientific review of proposals, in order to achieve a transparent and merit-based appraisal that should not be mixed up with political decisions related to funding.

LESSON LEARNED # 9

The approval of projects should be undertaken according to the recommendations of the Panel of Experts and the funds at the disposal of the Governing Body in the round of the project cycle.

Background:

66. The approval of projects for funding within the project cycle in the *Operational Procedures* is "*according to the funds at the disposal of the Governing Body in that project cycle*" and "*according to other possible considerations, such as the geographic balance and relative regional need, distribution across crops, types of activities* [...], *and duration of the project*."

67. The approval of project proposals during the second round of the project cycle was undertaken solely according to funds at disposal and the recommendations of the Panel of Experts, as the Bureau did not undertake perform any further appraisal of individual project proposals. No other further considerations were taken into account in the approval of project proposals.

Suggestions:

68. Building upon the lessons learned from the approval of the project proposals on the second project cycle, the approval of projects funded in future rounds of the project cycle should be based on the recommendations of the Panel of Experts and the funds at the disposal of the Governing Body in the round of the project cycle. It should be clarified whether the approval

depends on other possible considerations by the Bureau, and especially whether considerations related to regional balance are admissible.

LESSON LEARNED # 10

The procedures for presentation of projects favourably appraised to donors or for re-submission in the following round of the project cycle should be clarified.

Background:

69. The approval of projects for funding within the project cycle in the *Operational Procedures* includes the following procedure: "*projects not fundable within that year will be presented to donors for possible funding, or may be re-submitted in the following budgetary cycle.*"

70. For the first round of the project cycle, the Bureau approved a list of projects for immediate funding according to the funds at disposal at the time of approval. Following the decision by the Bureau, the Governing Body, at its Third Session, requested the Secretary to bring project proposals favourably appraised but not funded during the first project cycle to the attention of relevant international mechanisms, funds and bodies, both bilateral and multilateral, in accordance with the *Operational Procedures*.

71. For the second round of the project cycle, the Bureau of the Fifth Session undertook a number of worksteps in the approval of project proposals for funding in August 2011:

(1) It first took note of the funds at the disposal of the Governing Body and decided that half of the available funds would go to Window 1 projects and the other half to Window 2 projects.

(2) Following the recommendations of the Panel of Experts, the Bureau decided to approve a number of project proposals under Window 1 and Window 2 for immediate funding by the Benefit-sharing Fund trust account, considering the funding currently available for each Window.

(3) The Bureau identified and approved a number of nested project proposals by UNDP and decided to refer these proposals to joint resource mobilization with UNDP.

(4) The Bureau noted that further resources from the ones currently available in the Benefit-sharing Fund have been pledged by some donors, but not yet received in the Benefit-sharing Fund trust account. Additionally, the Bureau noted that prospective donors are still in the process of finalizing their decisions regarding contributions to the Fund. In this context, the Bureau decided that if additional funds become available in the Benefit-sharing Fund before the end of the biennium (31 December 2011), these funds will be used for funding the two project proposals remaining in the list of Window 1 proposals ranked by the Panel of Experts (codes of the proposals: PR-25-2010 and PR-285-2010) and six project proposals remaining in the list of Window 2 proposals ranked by the Panel of Experts (PR-186-2010, PR-172-2010, PR-83-2010, PR-69-2010, PR-22-2010 and PR-80-2010), following the order in which they were ranked by the Panel of Experts.

(5) The Bureau decided that all remaining projects from the Shortlists of Window 1 and 2 in the Report of the Co-chairs of the Panel of Experts, including those favourably appraised by the Panel of Experts but not funded by the Benefit-sharing Fund by the end of the biennium, would be submitted to other donors for possible funding.

72. At its subsequent meeting in March 2012, the Bureau recalled that it had decided that, if additional funds would become available in the Benefit-sharing Fund before the end of the biennium (31 December 2011), the funds would be used for funding the following project proposals: PR-25-2010, PR-285-2010, PR-186-2010, PR-172-2010, PR-83-2010, PR-69-2010, PR-22-2010 and PR-80-2010. The Bureau requested this Committee to explore options with regard to these project proposals including: resource mobilization, and in particular through FAO decentralized offices and bilateral funding available at country level; inclusion of these proposals in the third round of the project cycle.

73. In accordance with the decisions of the Bureau, the Secretariat sought to circulate the project proposals to FAO decentralized offices for possible bilateral funding available at country level. In particular, the Secretariat included all the project proposals in an "Treaty Information Resources Kit for FAO Officers", which the Secretariat has been working on over the past six months in order to further enhance, deepen and expand the collaboration which the Secretariat has built with FAO colleagues across the different departments and offices in the Organization. The "Treaty Information Resources Kit for FAO Officers", including the above-mentioned project proposals, has been printed, circulated to FAO Officers across the Organization and will be made available to the Committee members in printed form.

74. While all efforts for circulation of the project proposals have been made, the experience in submitting project proposals favourably appraised but not funded by the Benefit-sharing Fund has been negative to date. Bilateral and multilateral donors appreciate the work undertaken by the Panel of Experts but have their own country programmes, project formats, fiduciary standards and project selection procedures, including selection criteria. Most donors have decentralized their development cooperation programmes with individual countries or regions, and the submission of individual country or regional projects requires a field presence and network that the Treaty does not possess. Fundraising for individual projects diverts resources and time from the mobilization of resources for the Benefit-sharing Fund as a multilateral mechanism. The expectations of getting funding for individual projects should be very low, given the complexities described above. FAO decentralized offices may be in a better position to find additional funding available at country or regional levels, though the expectations should also be limited in that regard.

75. The Governing Body or its subsidiary bodies have never given any guidance with regard to the possibility and process of re-submission of proposals to the following round of the project cycle. The Bureau has requested this Committee to explore options to include 8 project proposals from the second round of the project cycle for funding in the third round of the project cycle. These 8 project proposals were favourably appraised by the Panel of Experts but not funded by the end of the biennium (31 December 2011).

76. The *Ad Hoc* Advisory Committee on the Funding Strategy considered various options for dealing with these project proposals in the third round of the project cycle, including the re-submission of pre-proposal; the re-submission of full project proposals and the direct approval for funding.

77. 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. The two other options considered in paragraph 79 were disregarded.

Suggestions:

78. Given the lessons learned in the first rounds of the project cycle, options for dealing with the submission of projects favourably appraised but not funded by the Benefit-sharing Fund include:

- To eliminate the following text from Step 6 (*Approval of projects*) of the *Operational Procedures*: "*projects not fundable within that year will be presented to donors for possible funding.*"

- To limit as much as possible the number of project proposals presented to other donors and channel these proposals through FAO decentralized offices to potential sources of funding at national or regional levels; and to inform applicants that the expectations for funding should be very limited.

79. Options for dealing with the 8 project proposals in the second round of the project cycle that were favourably appraised by the Panel of Experts but not funded by the end of the biennium (31 December 2011) are the following:

- The decision of the Bureau was to fund the 8 project proposals if additional funds had became available in the Benefit-sharing Fund before the end of the biennium (31 December 2011). Applicant institutions are informed that no additional funds became available by the end of the biennium, and are invited to submit the project proposals to other donors, in particular through FAO decentralized offices and bilateral funding channels available at country level. The applicant institutions are invited to submit a pre-proposal in any following round of the project cycle where the pertinent Window features in the Call for Proposals.

- The applicant institutions of the 8 project proposals are invited to re-submit directly a full project proposal in the following round of the project cycle where the pertinent Window features in the Call for Proposals, thus by-passing the initial steps of the project cycle. The applicant institutions are informed that in re-submitting their project proposal, they will have to use the improved project proposals formats and guidelines for preparation of proposals. Applicant institutions are eligible, upon request, to customized Helpdesk assistance for the re-submission of full proposals. The approval for funding for these and other project proposals participating in the round of the project cycle will be according to funds at disposal and on the basis of recommendations by the Panel of Experts.

- The eight project proposals will directly be approved for funding in the following round of project cycle where the pertinent Window features in the Call for Proposals.

80. Options for developing a procedure on the re-submission of proposals favourably appraised, in the following round of the project cycle that will feature an applicable Window in the Call for Proposals are the following:

- To find a solution for the 8 project proposals remaining from the second round of the project cycle on an exceptional basis; to remove any reference to the re-submission of project proposals in future rounds of the project cycle from the *Operational Procedures*.
- Based on the lessons learned from the second round of the project cycle, to develop a transparent and simple procedure for re-submission of project proposals.

LESSON LEARNED # 11

The* Operational Procedures *should contain a new step or a reference in the project cycle concerning the finalization and signature of the project agreement.

Background:

81. Once the project proposals are approved for funding, the Treaty Secretariat prepares project agreements to be signed with each executing entity. The contractual instrument available at FAO to obtain services from governmental, inter-governmental (e.g other United Nations agency), non-governmental and non-profit legal entities is a “Letter of Agreement” (LoA). Since mid-2011, a new Manual Section that sets forth the rules, procedures and criteria for such type of agreement is in force at FAO.

82. According to the new policy for LoAs, the project cycle of the Benefit-sharing Fund can be considered as a competitive selection process that supports transparency, impartiality and the best value-for-money approach. The project cycle of the Benefit-sharing Fund is being showcased within FAO as a model for others to follow in the utilization of LoAs.

83. FAO follows a template for LoAs. With the progressive implementation of the new Manual Section, such a template may be adjusted on a case-by-case basis to respond to the functional needs of its different users. A template has been developed, which is tailored to the needs of the Benefit-sharing Fund. This flexibility offers an opportunity for the Benefit-sharing Fund to fine-tune the LoAs based on the different features of each project cycle.

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

85. The agreement is divided in two parts – the general provisions of the agreement and one or more Annexes to detail the project outcomes, outputs, performance indicators, work plan, monitoring mechanisms, duration and other relevant project information. The project proposals approved for funding are annexed to the LoA and become an integral part thereof.

86. Before signature, LoAs follow an internal FAO procedure that requires quality assurance and approval of each LoA. Such procedure is complementary and not in conflict with the *Operational Procedures* of the Benefit-sharing Fund. FAO’s approval of the LoA are contingent upon a number of budget-related considerations, such as whether the budget provides value-for-money and is sufficiently detailed; and whether procurement of goods and materials follows FAO policies. The procedures for LoAs selected by competitive process are much simpler than the LoAs proposed by direct selection.

87. The finalization and signature of LoAs in future rounds of the project cycle will be further streamlined, building upon the experience gained in development of LoAs in the second round of the project cycle. The development and signature of project agreements approved in the second round of the project cycle took a considerable amount of time and this was a major constraint for both the Treaty Secretariat and the executing entities. The new FAO policy on LoAs became operational after the submission of project proposals in the second round of the project cycle had concluded. There was essential information required for approval of LoAs that was not required in the submission form, in particular with regard to budget details. The FAO policy does not allow procurement of motorized vehicles and has other restrictions that had to be taken into account. Executing entities had to familiarize with the new LoA template and accept the terms and conditions therein contained.

88. The *Operational Procedures* do not include the development and signature of the project agreement as a step of the project cycle. However, this is an important step to ensure financial

accountability and accurate reporting linked to a payment schedule, which are parameters that should be taken into account in reviewing the *Operational Procedures*. Moreover, it should be recognized that the development and signature of the project agreement requires time after approval of the project proposals by the Bureau and before disbursement of funds.

Suggestions:

89. A simple measure will be to include reference to the finalization and signature of project agreements in Step 7 of the Project Cycle. Templates for project agreements will be tailored to the needs of the Benefit-sharing Fund and follow relevant FAO internal rules and procedures.

90. Building upon lessons learned in the second round of the project cycle, it is also suggested to streamline as much as possible the finalization and signature of project agreements. It would be necessary to attach the templates of project agreements, or its main general provisions, to the Call for Proposals, for the information of executing entities.

LESSON LEARNED # 12

The application of the procedures adopted by the Governing Body, at its Fourth Session, on disbursement, and on reporting, monitoring and evaluation, should be assessed at the end of the second round of the project cycle for possible improvement for future rounds of the project cycle.

Background:

91. Fund disbursement and project reporting, monitoring and evaluation are included in steps 7 to 9 of the Project Cycle. At its Fourth Session, the Governing Body adopted interim procedures for fund disbursement and interim procedures for reporting, monitoring and evaluation.

Suggestions:

92. Changes related to Steps 7 to 9 in the current review of the *Operational Procedures* should be minimal. Lessons will be learned on the application of these procedures in the second round of the project cycle, which will be valuable in the mid-term to review these procedures.

2.1. SELECTION AND OTHER CRITERIA

LESSON LEARNED # 13

Building upon the selection criteria and eligibility criteria, a limited number of criteria for each Window of a Call for Proposals and simple guidelines that enable their use should be developed.

Background:

93. In its section III, the *Operational Procedures* of the Benefit-sharing Fund contain 28 selection criteria organized in 9 categories. Most criteria are formulated through a question (i.e. are *the anticipated project costs warranted against the expected project results and benefits?*), but some criteria are formulated through two questions. The appraisal of project proposals is undertaken by ranking the project proposals according to selection criteria, which project proposals have to address.

94. The *Operational Procedures* make reference to other sets of criteria in the project cycle. The Opening of a call for proposals (Step 1) refers to eligibility, selection and approval criteria. The screening and response to pre-proposals (Step 3) refers to eligibility criteria as well to other criteria established as part of the call for proposals. The second Call for Proposals published a reduced set criteria established as part of the Call for Proposals and specific to each Window. The Governing Body adopted eligibility criteria as Annex 2 of the Funding Strategy but no approval criteria have ever been adopted or used in the first two rounds of the project cycle. The review of the *Operational Procedures* should promote consistent use of language related to criteria in the *Operational Procedures*.

95. There have been so far several bottlenecks in the use of the indicators. Important criteria established as part of a Call for Proposals (i.e. *is the project addressing the adverse impacts of, and risks posed by, climate change to particularly vulnerable farming communities?)* should still be used in the appraisal process. There are far too many selection criteria and the formulation of some criteria is vague and can lead to different interpretations by experts conducting the appraisal. Some selection criteria are very relevant for a given Window of a call for Proposals but others are not. Very few pre-proposals were screened out in the first and second rounds of the project cycle on the basis of the eligibility criteria.

96. The lessons learned from the Panel of Experts of the second round of the project cycle are relevant:

> *The criteria used for appraisal of proposals should be made available to applicants in a clear and transparent manner early in the project cycle. There should be a greater synchronization of required structure and contents of proposals and the criteria used. There is margin to further aggregate the selection criteria in the* Operational Procedures *to enhance the appraisal process. Technical comments provided by the experts are a valuable resource that can be used by the Secretariat in the preparation of project agreements. Lessons could be learned from other appraisal processes, including from those where a primary, secondary and tertiary reviewer conduct the appraisal and are requested to cluster proposals in different categories such as: recommended for funding, requires improvement to be funded and not recommended for funding.*
>
> *In order to achieve greater consistency in the scoring of experts, detailed guidelines should be prepared to describe the criteria and their relative weights in the appraisal.*

> *This may involve more precise descriptions, examples and even practice sessions where the experts discuss their rankings for old or hypothetical projects. There are various practical and simple methods to prepare experts for the appraisal and walk them through the different criteria, including through website applications.*

97. It may be premature to conduct an in-depth review of Section III, as there are ample opportunities to use the selection criteria adopted in a more strategic and aggregated manner.

Suggestions:

98. The *Operational Procedures* should clarify that its Section III provides a general framework of selection criteria being used in the appraisal of projects, and that the specific criteria for appraisal of projects in each round of the project cycle will be published in the Call for Proposals.

99. Criteria used for appraisal of proposals should be made available to applicants in a clear and transparent manner early in the project cycle. There should be a greater synchronization between the required structure and contents of proposals, and the criteria used.

100. In order to achieve greater consistency in the scoring of experts, detailed guidelines should be prepared to describe the criteria and their relative weights in the appraisal.

GOVERNANCE AND INSTITUTIONAL ARRANGEMENTS

LESSON LEARNED # 14

Enhance the decision-making arrangements of the Benefit-sharing Fund

Background:

101. The Benefit-sharing Fund is under the direct control of the Governing Body of the Treaty. The Governing Body has adopted its Priorities; Eligibility Criteria; Operational Procedures, Information and reporting requirements. It provides overall guidance on operations and resource mobilization for the Benefit-sharing Fund at each Session of the Governing Body.

102. While the Operational Procedures provide a number of responsibilities to the Governing Body in the project cycle, the Governing Body has so far played no direct role in any individual steps of the project cycle. At its Third and Fourth Session, the Governing Body has delegated authority for the execution of the project cycle during the biennium to the Bureaux of the Fourth and Fifth Sessions respectively.

103. The Operational Procedures of the Benefit-sharing Fund provide a number of responsibilities to the Governing Body in the project cycle. The role of the Bureau, as established by the Governing Body at its First Session, is to provide guidance to the Secretary with regard to the preparations for, and conduct of, sessions of the Governing Body. In addition, at subsequent Sessions the Governing Body has on a case-by-case basis delegated individual tasks for the intersessional period to the Bureau.

104. The intergovernmental *Ad Hoc* Advisory Committee on the Funding Strategy was established by the First Session of the Governing Body in 2006. Together with the Compliance Committee, the Advisory Committee on the Funding Strategy was the first Committee to be established by the Governing Body. It has held seven meetings since 2006. It is the intersessional Committee of the Treaty which has held the most meetings to date, prepared the highest number of draft Resolutions and decisions for the Governing Body, and provided a reference for the

functioning of other intersessional Committees to date (e.g., the Ad Hoc Committee on the Third Party Benefiticary, the Ad Hoc Technical Advisory Committee on the SMTA and the MLS, etc). Its main role has been to provide advice to the Governing Body on the development and implementation of the Benefit-sharing Fund and the Treaty's Funding Strategy. The Operational Procedures of the Benefit-sharing Fund to date provide no responsibilities to the Committee in the project cycle.

105. The Panel of Experts conducts the appraisal of project proposals. The role of the Panel is to provide independent expertise on the project proposals that requires a technical and scientific profile and experience in evaluation of project proposals. Given lesson learned #4, the screening of pre-proposals and the appraisal of proposals should be planned as an integrated process in the future. It may be appropriate that there will be one group of experts responsible for screening of pre-proposals and the appraisal of project proposals.

Suggestions:

106. At the Fourth Session of the Governing Body, Contracting Parties had discussions on how to streamline decision-making processes and meetings related to the Funding Strategy, and in particular the Benefit-sharing Fund. Options that could be further explored by the Governing Body include:

- Maintain the *status quo*.
- Combine the responsibilities of the *Ad Hoc* Advisory Committee on the Funding Strategy and the responsibilities of the Bureau in the Project cycle to one single body.
- Provide responsibility for the screening of pre-proposals and the appraisal of project proposals to the Panel of Experts.

LESSON LEARNED # 15

Enhance the institutional arrangements to support the further development of the Benefit-sharing Fund.

107. In accordance with Article 20 of the Treaty, the Treaty Secretariat assists the Governing Body to carry outs its functions, including the work related to the Benefit-sharing Fund. While the Operational Procedures provide a number of responsibilities to the Secretariat in project cycle, the Treaty Secretariat has so far assisted the Governing Body in all aspects related to the Benefit-sharing Fund, including those related to the global management of the Fund and those related to management of individual projects approved by the Fund.

108. At the level of Fund's global management, the Secretariat is assisting the Governing Body in the global programming and intergovernmental oversight and policy of the Fund. It provides the Secretariat for the intergovernmental and expert bodies involved in the project cycle of the Benefit-sharing Fund. The Secretariat facilitates the cooperation with partners, the implementation of the resource mobilization strategy by Contracting Parties and other donors, and the dissemination of results to the Governing Body and international stakeholders. It also assists the Governing Body in building synergies with other Treaty systems, including the Funding Strategy and the Multilateral System.

109. At project level, the Secretariat has so far held primary responsibility for: the development of project agreements; fund disbursement to the field; project monitoring and the planning of supervision missions; revision and approval of project reports, including financial and

technical reporting; assistance in the inclusion of Annex 1 materials resulting from projects funded; planning the evaluation of the project portfolio.

110. At its Fourth Session, the Governing Body has acknowledged 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. It has also recognized 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.

111. The Governing Body has also acknowledged 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. It has also requested the Secretary to collaborate with international organizations and relevant FAO offices in the monitoring and evaluation of projects approved in the second round of the project cycle of the Benefit-sharing Fund.[10]

112. In other multilateral funds, the implementing entities work together with national executing entities and are responsible for project implementation as they have the technical and project expertise, and the field presence which the Secretariats of multilateral funds do not have. As set out in document IT/ACFS-7/12/5, the partnership approach with those international organizations that can act as implementing partners should be enhanced. The benefits of the partnership approach are spelled out in detail in section III of that document. These partners can assist national institutions in project formulation, co-financing, implementation and monitoring and support the further operationalization and development of the Benefit-sharing Fund. This will subsequently reduce the workload and tasks of the Treaty Secretariat and costs to the Treaty associated with the management of the project cycle.

113. Based on Governing Body guidance on this matter, document IT/ACFS-7/12/5 proposes the development of a partnership architecture for the Fund and sets out possible approaches, requirements and procedures for this task. It suggest that the partnership approach should provide the Fund with a stable, reliable and high-quality implementation architecture for its project portfolio while at the same time maintaining the dynamic ability of the Fund to respond to the needs of Contracting Parties. For this, partnerships could include formalized long-term partnerships, which form part of the permanent implementation architecture of the Fund and go through the formalized process of approval by the Governing Body (or, in case of inter-sessional delegation, the Bureau), and ad hoc partnerships which supplement the implementation capacity for an individual round of the project cycle and which can be added with the guidance of the Committee when designing the CFP and the round in addition to the standard implementation capacity.

114. While initial efforts for the establishment of these partnerships may be significant, they add considerable value for the Treaty in strengthening implementation capacity of the Fund and value-for-money in the operation of future project cycle rounds. Consideration should also be given to working closer with those partners of the Treaty that by the nature of their substantive work are closest to the Multilateral System and the Treaty, such as the CGIAR centres. Overall, however, institutional arrangements for the Fund must be driven by value for money generated for the Treaty from the partnership; compatibility with the governance and management structures and processes created by the Treaty's Governing Body and subsidiary bodies; institutional credibility of the partners that will enhance the profile and standing of the Fund within the international funding community; maintenance of highest quality standards for project management, reporting, monitoring, transparency and accountability; co-financing from the institutional partners; and the comparative advantages of potential partners to contribute to the efficiency, effectiveness and streamlined functioning of the Fund.

[10] IT/GB-4/11/Report: Resolution 3/2011, paras. 10, 21, and 26.

115. Partnerships with global funding mechanisms also have great potential to support the development of the Benefit-sharing Fund. This includes the need for coordination with other funds that have similar objectives and foci as well as the importance to relate the Benefit-sharing Fund to other funding mechanisms that focus on global challenges that can be supported through Treaty implementation.

Suggestions:

116. The Treaty Secretariat should focus on assisting the Governing Body in the management of the Benefit-sharing Fund at global level.

117. At project level, the following suggestions could be made:

- Estabilsh a coherent, comprehensive, dynamic, effective and efficient implementation architecture for the Benefit-sharing Fund, with the accompaniment of the Co-chairs;
- For the second round of the project cycle, request the Secretary to enhance cooperation with FAO Technical Departments that have technical and project expertise in project implementation and supervision missions.
- Once the partnership architecture has been fully established, the Governing Body should decide on the responsibilities of partners within the future rounds of the project cycle

III. CONCLUSIONS

118. This report has identified 14 lessons learned from the execution of the first two rounds of the project cycle. Based on the request from the Bureau of the Fifth Session, this final short section provides a summary of how to overcome the bottlenecks identified in the first two rounds and further improve the cost-effectiveness and transparency in designing and executing the next rounds of the project cycle.

119. The Benefit-sharing Fund of the International Treaty became operational in 2009. The launching of the first Call for Proposals and the subsequent approval of 11 pilot projects in 2009 gave significant impetus to the further implementation of the Benefit-sharing Fund, and to the Treaty as a whole. The second Call for Proposals, with its thematic focus on climate change, enhanced the interest in the Benefit-sharing Fund from a wide range of stakeholders, donors and global institutions. The funds disbursed in the second round of the project cycle multiplied per ten those disbursed in the first round of the project cycle. There are more than 100 organizations involved in the execution of the second round of the project cycle in more than 36 countries. Projects funded are reaching communities facing food insecurity because of the impact of climate change on the use and conservation of their plant genetic diversity.

120. Since 2009, experience has been gained on the running of the project cycle of the Benefit-sharing Fund, especially through the execution of the second round of the project cycle. The Governing Body has recently adopted procedures for disbursement and for monitoring, reporting and evaluation. The Panel of Experts for the second round developed a transparent and clear protocol for the appraisal of project proposals which ensured that exclusively quality and technical merit determine the appraisal and approval of project proposals. A wide range of tools, such as the Helpdesk or guidelines for preparation of project proposals, have been developed to facilitate the work of applicant institutions and the management of each step of the project cycle.

121. The execution of the project cycle so far faced a number of challenges that need to be overcome to ensure cost-effectiveness and transparency in future rounds. A great number of decisions related to the execution of the two first rounds of the project cycle were taken once the Call for Proposals had already been opened. While this gave flexibility and capacity to learn lessons in the process, it should be avoided in the future to enhance transparency and inclusiveness in the process and to provide fully feasible timelines for the project cycle. As explained in this report, the screening of pre-proposals is a critical step in the project cycle that needs to be well designed to ensure the cost-effectiveness of the whole project cycle. The design

of future rounds of the project cycle should be done in an integrated manner avoiding a step-by-step approach and continuing to avoid political considerations once the call has been opened. Applicants should receive a comprehensive information package on the project cycle at the time of the opening of the call for proposals. This will enhance transparency in the process and also cost-effectiveness.

122. Given the start-up phase of the Benefit-sharing Fund, for the first pilot round of the project cycle the procedures for fund disbursement, reporting, monitoring and evaluation were not yet in place. These procedures were only adopted at the Fourth Session of the Governing Body, once the project proposals for the second round of the project cycle had been submitted by applicants. The development of project agreements took longer than anticipated given the need to meet a number of new FAO administrative procedures for contracts. With the accompaniment of the Co-chairs of the Advisory Committee on the Funding Strategy, the Treaty Secretariat should rely on partner institutions and FAO technical units that have relevant expertise and capacity to enhance effectiveness in the development and implementation of project agreements.

123. Most lessons learned with regard to the project cycle and criteria can be easily applied in the short-term to improve the design and execution of the next round of the project cycle. The lessons learned with regard to governance and institutional arrangements are more far-reaching and require guidance from the Governing Body at its next Session.