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The International Treaty
ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE

**E**

Item 9 of the Provisional Agenda

FIFTH SESSION OF THE GOVERNING BODY

Muscat, Oman, 24-28 September 2013

**REPORT ON THE IMPLEMENTATION OF THE
 FUNDING STRATEGY**
Draft Resolution

Note by the Secretary

This document contains the addendum referred to in document IT/GB-5/13/7, Report on the implementation of the funding strategy, and comprises elements of a draft Resolution on the number of issues before the Governing Body for consideration, under the relevant agenda item. It reflects and brings together substantive contents contained in documents IT/GB-5/13/7, IT/GB-5/13/7/Add.1, IT/GB-5/13/7/Add.2, IT/GB-5/13/8, IT/GB-5/13/9, IT/GB-5/13/15, IT/GB-5/13/Inf.4, IT/GB-5/13/Inf.4/Add.1, IT/GB-5/13/Inf.4/Add.2, IT/GB-5/13/Inf.10 and IT/GB-5/13/Inf.11.

THE GOVERNING BODY,

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

Recalling Resolution 1/2006 by which the Governing Body adopted the Funding Strategy;

Recalling that the Governing Body, at its Third Session, adopted Resolution 3/2009, in which it welcomed the *Strategic Plan for the implementation of the Benefit-sharing Fund of the Funding Strategy (Strategic Plan)*;

Recalling that the Governing Body, at its Fourth Session, adopted Resolution 3/2011, regarding resource mobilization for, and the operations of, the Benefit-sharing Fund, as well as the implementation of the Funding Strategy;

Recalling that the Governing Body, through Resolution 3/2011, emphasized the need to further explore innovative approaches in engaging voluntary donors to the Benefit-sharing Fund, in particular various private sector prospects, such as the seed and the food processing industry;

PART I: RESOURCE MOBILIZATION FOR THE BENEFIT-SHARING FUND

1. **Notes** with concern that a large shortfall of funding has accumulated in relation to the targets established in the *Strategic Plan*;
2. **Urges** Contracting Parties, other governments, the private sector and foundations to give highest priority to support the Benefit-sharing Fund and **requests** the Secretary intensify existing efforts and plans for resource mobilization of voluntary contributions, as established in Resolutions 3/2009 and 3/2011, to sustain, as a priority, immediate income in the Benefit-sharing Fund;
3. **Emphasizes** the importance for the Secretariat to continue and strengthen existing efforts and plans for the communication, promotion and media work to enhance the visibility of the Benefit-sharing Fund;
4. **Notes** the successful mobilization of resources through cultivation events, including through the High-level Task Force of the Benefit-sharing Fund, and **requests** the Secretary to continue the cultivation activities of the *Strategic Plan*, and **requests** the High-level Task Force to continue its support to mobilize funding for the Benefit-sharing Fund;
5. **Decides** to explore all possible measures that could address the shortfall accumulated in the Benefit-sharing Fund, and to create predictable, reliable and sustainable resources for the Benefit-sharing Fund, and **thanks** the *Ad Hoc* Advisory Committee on the Funding Strategy for having identified a package of innovative approaches, based on the use of plant genetic resources for food and agriculture, for further development in the forthcoming biennium;
6. **Emphasizes** that the various innovative approaches are technically interlinked and interdependent, and need to be addressed together, as a package of different innovative approaches could provide a part of an adequate and sustainable flow of income to the Benefit-sharing Fund;
7. **Thanks** the Governments of Brazil, Indonesia, Italy, and Norway, for having convened High-level Roundtables on the International Treaty, under the auspices of the High-level Task Force of the Benefit-sharing Fund, in order to mobilize resources for the Benefit-sharing Fund and draw international attention to the crucial importance of the Treaty and its Funding Strategy, in particular to monetary and non-monetary benefit-sharing.

PART II: OPERATIONS OF THE BENEFIT-SHARING FUND

Execution of the project cycle of the Benefit-sharing Fund since the Fourth Session of the Governing Body

[*Note by the Secretariat: The elements of the Resolution related to the execution of the project cycle contained in Appendix 1 of document IT/GB-5/13/8 Report on the execution of the project cycle of the Benefit-sharing Fund since the Fourth Session of the Governing Body will be inserted here*].

8. **Welcomes** the publication of the *Report on lessons learned during the execution of the first and second rounds of the project cycle*, which the Governing Body requested at its Fourth Session, and **decides** to continue using the *Report* in future discussions on the further operationalization of the Benefit-sharing Fund.
9. **Adopts** the *Reviewed Operational Procedures for the use of resources under the direct control of the Governing Body*, which is in *Appendix 1* of this Resolution.
10. **Adopts** the *Draft Policy on Conflict of Interest and related Standards of Conduct for the Benefit-sharing Fund*, to support implementation of the Operational Procedures, which is in *Appendix 2* of this Resolution.
11. **Decides** that the scope of plant genetic resources for food and agriculture for each round of the project cycle be addressed in the design of each Call for Proposals, building on the experience gained in the first two rounds of the project cycle.
12. **Takes note** of the elements of the *Mid-term Plan for the Benefit-sharing Fund* in *Appendix 3* of this Resolution, and requests the Working Group to further develop the *Plan* in the context of the development of innovative approaches for the use of funds available in the Benefit-sharing Fund.
13. **Welcomes** progress made in the development of partnerships with IFAD, UNDP and UNEP;
14. **Stresses** the need to further develop the two types of partnerships identified, where international partners act as donors to the Benefit-sharing Fund, or as implementing entities for its projects;
15. **Emphasizes** the need for flexibility in fully engaging such partners, while respecting the policies and procedures set by the Governing Body of the Treaty;
16. **Requests** the Secretary, in consultation with the Bureau, to further advance the partnerships with international organizations, in order to enable a full discussion of the partnership architecture for the Benefit-sharing Fund at the Sixth Session of the Governing Body, in the context of the further operationalization of the Benefit-sharing Fund.
17. **Welcomes** measures taken to enable an inclusive process within the Benefit-sharing Fund, to which all regions feel committed.
18. **Requests** that innovative approaches for the operations of the Benefit-sharing Fund be explored during the next intersessional period, for consideration by the Governing Body at its sixth Session.

**PART III: MONITORING THE IMPLEMENTATION OF THE FUNDING STRATEGY:
RESOURCES NOT UNDER THE DIRECT CONTROL
OF THE GOVERNING BODY**

19. *Emphasizes* the importance of the regular provision of information on resources not under the direct control of the Governing Body, in order to raise the profile of the Funding Strategy of the Treaty and to enable the Governing Body to assess gaps and synergies in its implementation.
20. *Requests* the Secretary to intensify its efforts to compile information in key strategic areas related to the Funding Strategy, and to plan information gathering in a phased approach, and *decides* to initiate such an approach by requesting a report on the monitoring of the implementation of the Funding Strategy in the area of sustainable use, for its sixth Session.
21. *Takes note* of the *Report of the Global Crop Diversity Trust* for the implementation of the Funding Strategy, and *calls* for enhanced cooperation between the Trust and the Treaty;
22. *Takes note* of initiatives that stakeholder groups have undertaken in the context of the Funding Strategy, as practical measures to construct vehicles for non-monetary benefit-sharing, in particular the establishment of a *Platform for the Co-development and Transfer of Technology*, and the *Public-Private Partnership for Pre-Breeding*; *commends* them for these efforts; *encourages them* to put these on a long-term footing; and *requests them* to report to the next Session of the Governing Body;
23. *Requests* the Secretary to strengthen cooperation with other international organizations, to support the implementation of the Funding Strategy;

**PART IV: INTERGOVERNMENTAL WORK DURING THE NEXT INTERSESSIONAL
PERIOD: DRAFT TERMS OF REFERENCE FOR THE AD HOC ADVISORY
COMMITTEE ON BENEFIT-SHARING**

Having considered the report of the *Ad Hoc* Advisory Committee on the Funding Strategy;

24. *Thanks* the Committee and its Co-Chairs for their work during the past biennium;
25. *Thanks* the shareholders from the plant breeding industry who cooperated with the Committee in identifying possible innovative approaches to mobilizing resources for the Benefit-sharing Fund;
26. *Decides* to reconvene the Committee in the forthcoming biennium, as the *Ad Hoc* Open-ended Working Group to Expand Benefit-sharing and the Scope of the Multilateral System, with the widened mandate given in the following Terms of Reference:
- I. To develop a package of measures for consideration for adoption to the Governing Body at its Sixth Session that will:
 - (a) Put used-based income to the Benefit-sharing Fund on a sustainable and predictable long-term basis, and
 - (b) Expand the scope of the Multilateral System.
 - II. For this purpose, the Secretariat should prepare a number of short, strategic preliminary studies, taking into account all available information, including the recent study, *Assessing the potential for monetary payments from the exchange of plant genetic resources under the Multilateral System of the International Treaty on Plant Genetic Resources for Food and Agriculture*. These studies should include:

- A Business Plan to expand monetary benefit-sharing through identified innovative approaches which addresses: funding targets; the sources of income that can be stacked to reach these targets; the rate of build-up of income in each; and the feasibility of different approaches.
- A policy and legal study on how a decision to implement an expanded scope of the Multilateral System could most effectively be implemented, including consideration of proceeding at the level of genera, crop groups or all plant genetic resources for food and agriculture, and including options such as adding crops to Annex I, a Protocol to the Treaty, or expanding the coverage of the Multilateral System.
- How to enhance the benefit-sharing mechanisms of the Treaty, including the Benefit-sharing Fund, and covering capacity-building, technology-transfer and information-exchange.
- An analysis of the factors that influence the willingness of stakeholder groups, in particular the plant breeding industry, and donors, to make voluntary contributions to the Benefit-sharing Fund.

III. On the basis of the Business Plan, and other studies, the Working Group will:

- (a) Review the benefit-sharing provisions of the SMTA, in particular, Articles 6.7, 6.8, 6.11 and the associated annexes, and propose modifications to the: (i) levels of payment in the SMTA, with a view to achieving fair and equitable sharing of benefits; (ii) the cases in which mandatory payment shall also apply; and (iii) any other relevant matters;
- (b) Analyse the options for the expansion of the Multilateral System, with the pros and cons of each;
- (c) Consult with Stakeholder Groups, particularly in the Plant Breeding Industry, regarding the Business Plan and its implementation; and
- (d) Draft and prepare for consideration for adoption of the Governing Body the various decisions that will be needed to give effect to the package of measures that it proposes.

IV. Advise the Governing Body on the operations of the Benefit-sharing Fund, including by developing innovative mechanisms for the use of funds available in the Fund, in order to strengthen the use of the Multilateral System and the non-monetary benefit-sharing mechanisms of the Treaty, in a more strategic, cost-effective and inclusive manner.

V. Continue advising the Governing Body on resource mobilization efforts for voluntary contributions, in accordance with Resolutions 3/2009 and 3/2011.

VI. The Working Group may invite experts to attend relevant meetings. It may also invite representatives of stakeholder groups, particularly of the Plant Breeding Industry, to take part in relevant meetings.

VII. The Working Group may also consult other inter-sessional Committees on matters under their mandate, in particular the *Ad Hoc* Technical Advisory Committee on the Standard Material Transfer Agreement and the Multilateral System, and may invite its co-chairs as observers in its meetings, in order to ensure consistency in the inter-sessional work of the Treaty.

27. **Recognizes** that the importance and magnitude of the task set the Committee will require intense and sustained efforts in the forthcoming biennium, and urges Contracting Parties to urgently provide support and financial resources, should these be needed, for the Committee to be able to fulfill its mandate on schedule;

28. **Appeals** to stakeholders who use plant genetic resources under the Treaty to

themselves develop, and assist the Committee to develop, innovative use-based approaches to realizing monetary benefit-sharing within the context of the use of the SMTA, and other innovative approaches that can contribute to an adequate and sustainable flow of resources to the Benefit-sharing Fund;

29. **Requests** the Bureau of the Sixth Session to take any actions necessary, with the advice of the *Ad Hoc* Open-ended Working Group, to make provision for the early receipt by the Benefit-sharing Fund of any income that may be generated by the innovative approaches during the biennium.

30. **Requests** the *Ad Hoc* Open-ended Working Group to develop an inter-sessional agenda regarding the Funding Strategy, including to:

- Maintain a working relationship with the Vegetable Industry Working Group, and provide any advice and assistance in order that the Industry Licensing Platform, if established, may contribute to the Benefit-sharing Fund as rapidly as possible.
- Facilitate discussions with other segments of the seed industry, to develop arrangements appropriate for them that will generate substantial voluntary contributions to the Benefit-sharing Fund, in accordance with Article 18.4f of the Treaty.