



**Food and Agriculture
Organization of the
United Nations**



The International Treaty
ON PLANT GENETIC RESOURCES
FOR FOOD AND AGRICULTURE

**INTERNATIONAL TREATY ON PLANT GENETIC RESOURCES FOR
FOOD AND AGRICULTURE**

**ELEVENTH MEETING OF THE *AD HOC* ADVISORY COMMITTEE
ON THE FUNDING STRATEGY AND RESOURCE MOBILIZATION**

Rome, Italy, 8 – 10 May 2019

ANNEX 2: OPERATIONS MANUAL: BENEFIT-SHARING FUND

This document contains Annex 2 of the draft updated Funding Strategy: *Operations Manual: Benefit-sharing Fund*.

The Annex responds to the decision of the Governing Body set out in paragraph 7 i) a) of Resolution 3/2017 to reconvene the Ad Hoc Committee on the Funding Strategy and Resource Mobilization (the Committee), with a revised mandate, in order to develop the updated Funding Strategy and related Annexes.

The Annex was developed based on the Annotated Outline of the updated Funding Strategy presented to the Governing Body at its Seventh Session as contained in the Annex to Resolution 3/2017 and the recommendations made to the Secretariat by the Committee at its tenth meeting on its further development.

ANNEX 2: OPERATIONS MANUAL: BENEFIT-SHARING FUND

I. INTRODUCTION

1. The Benefit-sharing Fund is an essential element of the Funding Strategy and of the Multilateral System of Access and Benefit-sharing. The Fund is the operational mechanism for receiving, utilizing and sharing the monetary benefits arising from Multilateral System, as specified in Article 19.3.f of the Treaty.
2. Established by the Governing Body and operational since 2009, the Benefit-sharing Fund has supported four project cycles with 80 projects funded around the world. The Governing Body has regularly worked to improve the operational procedures of the Fund, its selection process and priority areas of intervention. The Benefit-sharing Fund is an evolving mechanism, and the development of the programmatic approach for the Fund is another to step in its development.
3. This Operations Manual brings together resource mobilization, allocation and disbursement in an integrated manner, and is incorporated into the overall Funding Strategy. Lessons learnt from previous project cycles have been integrated in this Manual.

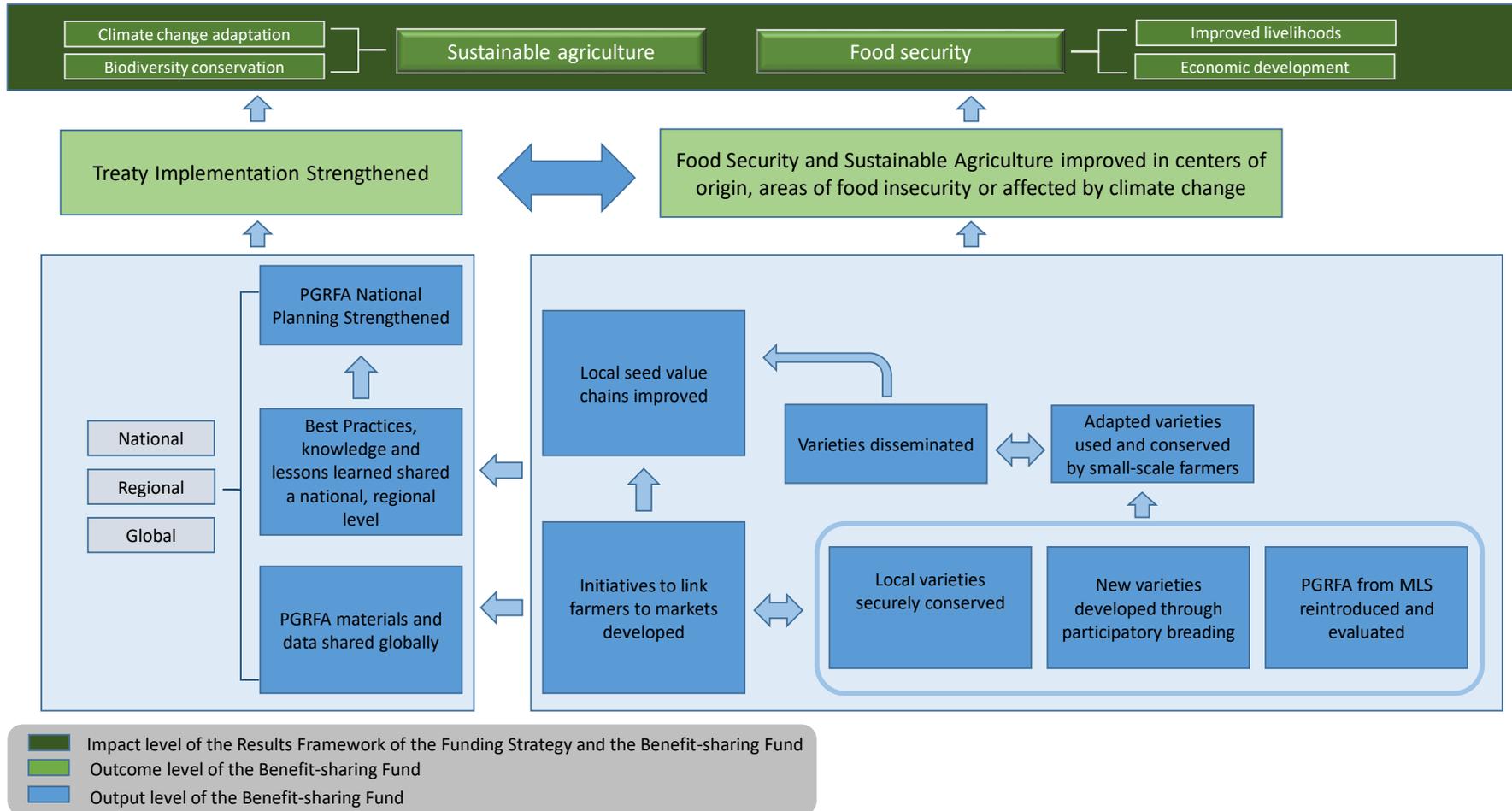
Beneficiaries and priorities

4. The primary beneficiaries of the Benefit-sharing Fund are farmers, especially in developing countries, and countries with economies in transition, who conserve and sustainably utilize plant genetic resources for food and agriculture, as stated in Art. 13.3 of the International Treaty.
5. All projects funded will demonstrate the benefits that PGRFA brings to farmers, with a special emphasis on support to on-farm/*in situ* management, farmer-to-farmer exchanges, local seed value chains, and a better flow of PGRFA from ex-situ collections to farmers and back.
6. Within the agreed priorities of the Second Global Plan of Action, the programmatic approach of the Benefit-sharing Fund specifically focuses on:
 - Priority area 2: Supporting on-farm management and improvement of plant genetic resources for food and agriculture, and
 - Priority area 11: Promoting development and commercialization of all varieties, primarily farmers' varieties/landraces and underutilized crops.
7. Nevertheless, the programmatic approach puts in place supportive practices and enabling initiatives for the implementation of other priorities of the Second Global Plan of Action.
8. These priorities have been selected to fill in gaps in the implementation of the Second Global Plan of Action and after having undertaken a thorough mapping of funding made available through other channels within the Funding Strategy.
 1. **The Benefit-sharing Fund within the Funding Strategy**
9. Funds under the Benefit-sharing Fund are used strategically to play a catalytic role in international cooperation in the area of plant genetic resources for food and agriculture.
10. Funding provided through the Benefit-sharing Fund will also assist to mobilize additional resources not under the direct control of the Governing Body. The leading partners working through the Benefit-sharing Fund will have to build linkages between different funding sources and explore collaborative planning and co-sponsoring opportunities with others.

11. In addition, the Benefit-sharing Fund facilitates the implementation of the various Treaty enabling mechanisms such as the Multilateral System, through the conservation, use and inclusion of materials, and the Global Information System.
2. **Storyline and Theory of Change**
12. In the last century, vast numbers of the world's food crop diversity disappeared forever. Less diversity means fewer coping strategies and less resources to grow crops that are resilient, more productive and nutritious.
13. Small-scale farmers, especially those most vulnerable to climate change and food insecurity, greatly depend on PGRFA to ensure their livelihoods. The Benefit-sharing Fund gives farmers access to a wide range of seeds that are adapted to their needs. This enables farmers to grow different types of crops so that they are not dependent on only one or two, to grow crops with higher yields or varieties that are more resilient to pests, diseases and adverse climate conditions, and crops that taste better and that are more nutritious. The Benefit-sharing Fund enables small-scale farmers, scientists and breeders to tap into the Treaty's global gene pool of millions of different genetic material to undertake research and develop new crop varieties.
14. Through helping farmers at local level to find solutions to climate change and other challenges, the Treaty system for agricultural diversity is strengthened. The Benefit-sharing Fund transcends the divide that is often seen between *in-situ*/on-farm and *ex-situ* conservation, and shows how different initiatives from farming communities through national and international genebanks are linked together through the International Treaty. Knowledge, information and germplasm generated through the Benefit-sharing Fund feeds back into the Treaty enabling mechanisms, expanding the resources available all over the world to improve food security and sustainable agriculture.
15. Figure 2 contains the Theory of Change of the Benefit-sharing Fund for the period 2020-2025. The Theory of Change demonstrates the links between the Benefit-sharing Fund and the Results Framework of the Funding Strategy, particularly as they contribute to addressing major development challenges that farmers around the world are facing. The contribution of the Benefit-sharing Fund to the programmatic approach of the Funding Strategy will be subject to review and continuous improvement.
16. The Benefit-sharing Fund supports *in situ* and on-farm management and improvement and creates linkages with broader *ex-situ* conservation efforts. It enhances and facilitates both farmer to farmer exchanges of seed and enables the flow of PGRFA material from farmers to *ex-situ* collections and back. Funded projects put in place efforts to improve local seed value chains and make a wide range of adapted and improved varieties available to small scale farmers. Plant breeding efforts with the participation of farmers are supported and the capacity to develop varieties particularly adapted to socio-environmental conditions and of high quality are being strengthened. Lessons learned from actions funded help to inform natural planning and decision-making on PGRFA.
17. The Benefit-sharing Fund is demand driven and responsive to the different needs and interests of farmers and other PGRFA providers and users. Funded projects result in a strong consortia of Treaty enabling partners collaborating to enhance the implementation and visibility of the Treaty. The partnerships established are inclusive, dynamic and multiple level between a wide range of PGRFA institutions and stakeholders as to create a sense of ownership of results and promote social inclusiveness.

Figure 2

Theory of Change: Benefit-sharing Fund



II. FINANCIAL RESOURCES OF THE BENEFIT-SHARING FUND AND RESOURCE MOBILIZATION

1. The Governing Body has set a funding target of [xx million] USD for the Benefit-sharing Fund for the period of 2020 to 2025. This target will require resources from two main sources:
 - User-based income from the Multilateral System for Access and Benefit-sharing, which is considered of paramount importance to the delivery of sustainable and predictable resources to the Fund;
 - Voluntary contributions from Contracting Parties and others.

MLS user-based income

2. As specified in Article 19.3.f of the International Treaty, the Benefit-sharing Fund is the mechanism established by the Governing Body for receiving and utilizing the financial resources that will accrue from the Multilateral System. The user-based income arising from the Multilateral System and deposited within the Benefit-sharing Fund would not be earmarked.
3. At its Eighth Session, the Governing Body finalized a negotiation process to enhance the functioning of the Multilateral System, including in particular to enhance the sustainable and predictable user-based income to the Multilateral System. Such enhancement processes were undertaken in parallel to the updating of the Funding Strategy, and with a view for both to be mutually supportive. The implementation period of this Funding Strategy will aim to coincide with that of the enhanced Multilateral System, and in particular of its Subscription System.
4. A key component of the enhancement of the Multilateral System is the development of the Subscription System, which would enable users to subscribe to the Multilateral System and which is expected to generate a predictable stream of funding from PGRFA users to the Benefit-sharing Fund. Communication and visibility efforts for the Benefit-sharing will be extended to also recognize subscribers to the Multilateral System.
5. The reviews of the Funding Strategy will enable the Governing Body to take stock of the user-based income generated by the Multilateral System, in order to inform future decision-making on the Funding Strategy and the Multilateral System.

Voluntary contributions

6. Achieving the Benefit-sharing Fund target will require the Treaty to maximise all funding opportunities. This section provides an overview of the various constituencies that are considered viable prospects for the Benefit-sharing Fund in the 2020-2025 period.
7. Prospects for voluntary contributions to the Benefit-sharing Fund include: Contracting Parties and their respective ministries of agriculture, foreign affairs, development assistance and other relevant ministries.
8. Other contributors will include: States which are not yet Contracting Parties of the Treaty; philanthropic organizations; the private-sector, including food processing industry, or other relevant international mechanisms.
9. The Benefit-sharing Fund may also benefit from the initiatives that will be explored through the programmatic approach of the Funding Strategy to mobilize funds from innovative sources.

10. The ambition would be to have further diversified the sources of funding to the Benefit-sharing Fund by end of the period 2020-2025. It is anticipated that, in the early phases of the implementation of the updated Funding Strategy, the Contracting Parties will continue to play an important role in supporting the Benefit-sharing Fund. The new programmatic approach of the Fund will enable the development of long-term partnerships with donors for the provision of predictable and long-term funding.
11. Emphasis would be given to unearmarked voluntary contributions. Earmarked voluntary contributions would be acceptable but will be kept under regular review given the implications of such earmarking, to ensure that there are not adverse effects on the Fund.
12. Donor recognition and visibility is an important feature of the programmatic approach and an opportunity to maximize donor involvement and help attract new resources and partners.
13. The [Standing] Funding Committee will regularly provide advice on new prospects for voluntary contributions, donor partnerships for the Benefit-sharing Fund and donor recognition activities. In providing such advice, the Committee may draw upon the elements of the former Strategic Plan for the Implementation of the Benefit-sharing Fund of the previous Funding Strategy.

III. OPERATIONAL PROCEDURES FOR THE USE OF RESOURCES UNDER THE BENEFIT-SHARING FUND

1. Principles

These operational procedures are based on the following principles:

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

2. Project Cycle

The Benefit-sharing Fund is under the direct control of the Governing Body, which delegates the authority for the operations of the Benefit-sharing Fund during the biennium to the [Standing] Funding Committee. The Committee, during the biennium, may:

- (1) establish and launch a new round of the project cycle, as needed;
- (2) decide whether to provide funding to projects that previously received a certificate of excellence from the Panel of Experts or to a second phase of projects previously funded by the Benefit-sharing Fund;
- (3) decide whether to contribute to larger development programmes to support the implementation of interventions that are aligned with the programmatic approach of the Benefit-sharing Fund;
- (4) decide whether to provide seed money for larger project proposal development contributing to the programmatic approach of the Fund.

The independent Panel of Experts will conduct the screening of pre-proposals and final review of project proposals. The panel of experts will be designated, from a Roster, by the Bureau in consultation with their Regions. It will consist of 2 experts from each FAO Region. The independent Panel of Experts will work without remuneration with resources provided under the core administrative budget for any necessary meetings. Terms of Reference of the Panel to be made public.

The Helpdesk, will support applicants in the preparation of pre-proposals and full project proposals in the Treaty languages.

The project cycle will consist of:

1. Opening a call for proposals
 - a. issued by the Committee, in the official languages of the Treaty, and containing relevant information on the thematic focus, expected outcomes, steps and procedures of the Call;
 - 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 Committee.

2. Submission of pre-proposals
 - a. in any of the Treaty languages, plus, where necessary, a translation to a working language;
 - b. according to an agreed format and within agreed deadlines;
 - c. addressing the eligibility and screening criteria;
 - d. responsibility: Applicant Contracting Parties or legal or natural persons,¹ in consultation with the Contracting Party or Contracting Parties in question. The formal submission should be by or through a Contracting Party or Parties in question to the Secretary of the Governing Body;

3. Screening of pre-proposals
 - a. according to eligibility and screening criteria, established as part of the call for proposals;
 - b. in accordance with the Policy of Conflicts of Interest;
 - c. will result in a Panel Report with recommendations and a short list of high-quality pre-proposals that will receive a Certificate of Excellence.
 - d. responsibility for screening: independent Panel of Experts, with support from the Secretariat;

4. Approval of pre-proposals that will develop a project proposal within the project cycle and issuing of certificates of excellence
 - a. according to the funds at the disposal of the Governing Body in that project cycle and the recommendations of the independent Panel of Experts;
 - b. according to additional possible considerations, such as geographical balance, with the aim of keeping the list of approved pre-proposals short;
 - c. in accordance with the Policy of Conflicts of Interest;
 - d. short list of high-quality pre-proposals to be made public;
 - e. responsibility for the approval: the Committee, which will request the Secretary to invite the selected applicants to develop a project proposal, which will eventually be funded, and provide a Certificate of Excellence to all short-listed pre-proposals;

5. Submission of project proposals from approved pre-proposals
 - a. in any of the Treaty languages, plus, where necessary, a translation to a working language;

¹ 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.

- b. according to an agreed submission form of project proposals and within stipulated deadlines;
 - c. addressing the recommendations made by the Panel of Experts;
 - d. recipient and channels of payment will be identified;
 - e. Helpdesk to be provided to support preparation of project proposals, in all Treaty languages, including to ensure that all project proposals are aligned with the programmatic approach of the Benefit-sharing Fund and to support building synergies within and outside of the Benefit-sharing Fund;
 - f. Helpdesk to focus on Contracting Parties that have special needs, including small island developing states;
 - g. responsibility: Applicant Contracting Parties or legal or natural persons, in consultation with the Contracting Party or Contracting Parties in question. The formal submission should be by or through a Contracting Party or Parties in question to the Secretary of the Governing Body.
6. Final review of project proposals
- a. in accordance with the Policy of Conflict of Interests;
 - b. Responsibility: the Panel of Experts will conduct a final review of the project proposals to ensure that the recommendations made during the screening have been taken into account in the development of project proposals and make suggestions for further improvement of project proposals, if needed. The Secretary will provide regular updates to the Committee on the finalization of project proposals.
7. Signature of project agreements and disbursement
- a. according to rules and procedures set by FAO, and any 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.

3. Selection Criteria

The general framework of criteria that will be used in the screening of pre-proposals and review of project proposals is contained in Section III of Annex 1 of Resolution 3/2013 *Implementation of the Funding Strategy of the International Treaty*. The exact criteria for screening in each round of the project cycle will be published in the Call for Proposals.

4. Conflict of Interest

The Policy on Conflicts of Interest and Related Standards of Conduct for the Benefit-sharing Fund is contained in Annex 2 of Resolution 3/2013 *Implementation of the Funding Strategy of the International Treaty*.

IV. MONITORING, EVALUATION AND LEARNING FRAMEWORK

The Monitoring, Evaluation and Learning Framework (MEL framework) of the Benefit-sharing Fund is an integral part of the monitoring of the overall Funding Strategy as is described in Section V of the Funding Strategy).

This section of the Operations Manual sets out the objectives, basic principles, steps and responsibilities under the MEL framework.

The objectives of the MEL framework are the following:

1. Promote accountability for the achievement of priorities, storyline and Theory of Change as established by the Governing Body through the assessment of results, effectiveness, processes, and performance.
2. Promote learning, feedback, and knowledge-sharing on results and lessons learned, as a basis for decision-making on policies, strategies, programmes, and project management.

The Governing Body will regularly receive a Report on the Benefit-sharing Fund with the information arising from the MEL framework. The contribution of the Benefit-sharing Fund to the programmatic approach of the Funding Strategy should be subject to review and continuous improvement.

The MEL framework will be further developed under the guidance of the [Standing] Funding Committee and will link outcomes and outputs within the storyline and Theory of Change of the Benefit-sharing Fund with clear targets and indicators established to enable the monitoring and evaluation of projects and programmes. The MEL framework will include but not be limited to the following targets:

1. PGRFA re-introduced, conserved, disseminated or bred with farmers' participation;
2. Farmers supported to sustainably use and conserve PGRFA;
3. Young scientists and researchers supported;
4. Co-funding mobilized to support Treaty implementation through BSF interventions;
5. Plans and policies strengthened or developed to support national Treaty implementation;
6. Gender mainstreaming and inclusion of vulnerable groups.

The following steps will be undertaken for each project cycle of the Benefit-sharing Fund:

1. Reporting and monitoring
 - a. according to rules and procedures set by FAO, and any procedures adopted by the Governing Body;
 - b. should inform Communication and Resource Mobilization efforts;
 - c. responsibility: The executing entity develops the monitoring products and submits them to the Secretary for approval.
2. 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 overall Funding Strategy;
 - c. funds will be set aside at the beginning of each project cycle of the Benefit-sharing Fund to enable the independent evaluation;

- d. a review of the Benefit-sharing Fund and its programmatic approach will be commissioned by the Governing Body as part of each review and update of the Funding Strategy;
- e. according to rules and procedures set by FAO, and any procedures adopted by the Governing Body;
- f. responsibility: the evaluation team is led by independent experts not otherwise involved with projects of the Benefit-sharing Fund. An Approach Paper and Terms of Reference for evaluation are prepared by the Secretary and the FAO Evaluation Office, in consultation with the [Standing] Funding Committee. The evaluation team is solely responsible for the independent evaluation report. The evaluation report shall contain findings and recommendations and will be made public through the website. The response to the evaluation report will also be made available through the website.

3. Learning

- a. enabled within and between projects and programmes and the external environment;
- b. lessons learned and continuous learning are regularly provided to all Regions so to increase commitment to the Fund;
- c. should occur on a continuous basis so that knowledge and lessons can be applied and
- d. facilitated through a community of practice platform of enabling partners.
- e. responsibility: the executing entities and the Secretariat, and the wider dissemination of synthesis of lessons learned by National Focal Points, donors and others enabling partners.