



Food and Agriculture
Organization of the
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The International Treaty
ON PLANT GENETIC RESOURCES
FOR FOOD AND AGRICULTURE

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SEVENTH SESSION OF THE GOVERNING BODY

Kigali, Rwanda, 30 October – 3 November 2017

Report of the *Ad Hoc* Advisory Committee on the Funding Strategy

I. INTRODUCTION

1. At its Sixth Session, the Governing Body decided to reconvene the *Ad Hoc* Advisory Committee on the Funding Strategy (the Committee), in order to provide a basis for the review of the Funding Strategy, with a view to enhance its functioning, at the Seventh Session of the Governing Body, as provided in Resolution 2/2015.
2. The Committee held two meetings during this biennium, being its eighth and ninth meetings, in March 2017 and in June 2017, both in Rome, Italy. The full Report of the eighth meeting is contained in document IT/ACFS-8/17/Report.
3. The Committee elected Mr. Pierre du Plessis (Namibia) and Mr. Alwin Kopse (Switzerland) as its Co-Chairs.
4. This report describes the work undertaken by the Committee during the biennium in preparing the basis for a review of the Funding Strategy by the Governing Body.
5. The Committee prepared, for the consideration of the Governing Body, elements of a draft Resolution on Enhancing the Functioning of the Funding Strategy, as contained in *Annex I*, and which also provides an *Annotated Outline for an Updated Funding Strategy*.



II. ASSESSMENT OF THE RESULTS ACHIEVED BY THE FUNDING STRATEGY

6. The Governing Body, through Resolution 2/2015, requested the Committee “to assess the results achieved by the Funding Strategy in view of its objective to enhance the availability, transparency, efficiency and effectiveness of the provision of financial resources to implement activities under this Treaty”.

7. The first Funding Strategy was adopted in 2006. The Committee assessed the results achieved by the Funding Strategy with a view to providing recommendations to the Governing Body to enhance its functioning. The assessment was guided by the following considerations:

- i) Funding opportunities for the implementation of the International Treaty can be improved by making the case to national decision-makers and development agencies of the importance of PGRFA as well as the interlinkages with other development issues.
- ii) The next phase of the implementation of the Funding Strategy should aim at strengthening linkages between different funding sources and partners, by pursuing collaborative planning and co-spending opportunities and identifying appropriate channels to make such linkages.
- iii) It should also build on the experience gained and lessons learned in the management of resources under the direct control of the Governing Body, in particular the Benefit-sharing Fund.
- iv) The Funding Strategy can be improved by having an increased focus on resources other than those provided by the Benefit-sharing Fund and the Fund for Agreed Purposes, including by addressing cooperation with other international mechanisms and improving reporting on national, bilateral and multilateral funding for the activities relevant to Treaty implementation.
- v) The updated Funding Strategy should take into account global trends and realities of the donor environment. There have been changes in the funding landscape, and the Benefit-sharing Fund and other funding mechanisms under the direct control of the Governing Body need to adapt and evolve to donor and recipient needs, thus increasing its potential to attract adequate, and diverse funding that ensures a long-term perspective. Consequently the updated Funding Strategy should respond to emerging funding trends, provide flexibility to adapt to a changing environment and ensure an efficient and coherent funding approach across Treaty mechanisms.
- vi) The updated Funding Strategy should clarify terminology used and which Annexes apply exclusively to the Benefit-sharing Fund and which ones apply to the Funding Strategy.
- vii) The challenges experienced during the previous strategic planning period, specifically the transaction cost challenges associated with competitive project application procedures, suggest an opportunity to use available funding more strategically to build synergies and leverage additional resources, for the ultimate benefit of the target beneficiaries identified in Article 18.5 of the Treaty.
- viii) Funding under the direct control of the Governing Body should be used strategically to leverage additional resources and cover critical gaps in programmatic implementation.

ix) Recognizing its critical role to the International Treaty, the implementation of the Funding Strategy should be regularly reviewed. The regular reviews will provide for a process for monitoring, evaluating and learning from lessons, experiences and information gained in previous implementation phases, and for structuring new funding opportunities and identifying and filling in gaps.

8. As a result of this assessment, the Committee recommends to the Governing Body to update the Funding Strategy and to develop a programmatic approach as provided for in Article 18 of the Treaty. The Committee has prepared an *Annotated outline for an updated Funding Strategy*, as provided in this Report. There are some elements of the updated Funding Strategy that are ready for consideration and adoption by the Governing Body at its Seventh Session, including the new vision and Results Framework for the updated Funding Strategy. The finalization of the updated Funding Strategy will require further work by the Committee in the next biennium. The draft elements of a resolution foresee how this work will be carried out.

III. ASSESSMENT OF THE IMPLEMENTATION OF THE *STRATEGIC PLAN FOR THE IMPLEMENTATION OF THE BENEFIT-SHARING FUND*

9. The Governing Body, through Resolution 2/2015, requested the Committee to “assess the implementation of the *Strategic Plan for the implementation of the Benefit-sharing Fund 2009–2014*, and update it, including the development of a funding target for the Benefit-sharing Fund for the 2018–2023 period, taking into account a needs-analysis on the basis of such information sources, such as the *Second Global Plan of Action for Plant Genetic Resources for Food and Agriculture*, as well as the target for the endowment fund of the Global Crop Diversity Trust (GCDDT), and a scenarios-analysis on the possible impacts of the measures to ensure sustainable and predictable income to the Benefit-sharing Fund for the enhancement of the Multilateral System to be proposed by the *Ad Hoc Open-ended Working Group to Enhance the Functioning of the Multilateral System*, as mandated in Resolution 1/2015.”

10. The *Strategic Plan* focused on resource mobilization of voluntary contributions, especially from Contracting Parties, for the Benefit-sharing Fund. At its eighth meeting, the Committee conducted an assessment of the implementation of the *Strategic Plan*.¹ The lessons learned in relation to the implementation of the *Strategic Plan* have been taken into account in the considerations made to update the Funding Strategy.

11. The Committee considered that the programmatic approach for the Benefit-sharing Fund should bring together resource mobilization, allocation and disbursement in an integrated manner, and be integrated into the overall Funding Strategy. It therefore recommends that relevant elements of the *Strategic Plan* will be integrated in the updated Funding Strategy and it is therefore not necessary to update the *Plan*.

12. The updated Funding Strategy should also provide for better resource mobilization opportunities in the implementation of the relevant provisions of the 2030 Agenda for Sustainable Development and in strengthening appropriate cooperation with entities such as, through appropriate channels, the Global Environment Facility (GEF), the Global Crop Diversity Trust, the CGIAR, and the United Nations Framework Convention on Climate Change (UNFCCC).

¹ IT/ACFS-8/17/ Report, para. 15-20.

13. The Committee, as requested by the Governing Body, considered the possibility of receiving contributions to the Benefit-sharing Fund with a regional and crop priority focus. It considered that such types of contributions would be possible, but recognized the need for these to be embedded in the overall priorities of the Benefit-sharing Fund.

14. In relation to funding targets, the Committee recommends to the Governing Body that the updated Funding Strategy will contain a funding target for the overall Funding Strategy as well as for the funds under the direct control of the Governing Body: the Benefit-sharing Fund and the Fund for Agreed Purposes. The Committee had a discussion about the methodologies to arrive to such targets. The Committee agreed that there is, currently, not sufficient information available to define the targets. Different views were expressed with regard to the funding levels to be reached, with some saying that the levels should be enhanced considerably. There was agreement that the level should, at the minimum, not be set below the actual amount attained during the life of the previous Funding Strategy. The Committee recommends that the information gathering needed to set up the targets is prioritized during the next biennium. Once the information is available, it will be easier to set and review targets.

15. The Governing Body also requested the Committee to liaise closely with the *Ad Hoc* Open-ended Working Group to Enhance the Functioning of the Multilateral System, in executing its work. Consequently, the Committee invited the Co-Chairs of the Working Group to its eighth meeting. Both Co-Chairs of the Committee are also members of the *Ad Hoc* Open-ended Working Group to Enhance the Functioning of the Multilateral System.

16. The Committee also recognized that the identification of a target for the Benefit-sharing Fund is closely connected with the on-going work of *Ad Hoc* Open-ended Working Group to enhance the functioning of the Multilateral System for Access and Benefit-sharing. At the eighth meeting of the Committee, the Co-Chairs of the Working Group provided a briefing on the work carried out and the progress made in the discussions of the relevant issues.

17. The Committee acknowledged that in order to meet the target for the Benefit-sharing Fund, both user-based income and contributions from Contracting Parties would be necessary. There are still different views regarding developing a mechanism of contributions by Contracting Parties in accordance with Article 18.4 of the Treaty. The Committee requested its Co-chairs to liaise closely with the Co-chairs of the Working Group, in preparation for the Seventh Session of the Governing Body.

IV. MEASURES TO STRENGTHEN THE PROGRAMMATIC APPROACH OF THE BENEFIT-SHARING FUND

18. The Governing Body, through Resolution 2/2015, requested the Committee to take into account the assessments made on the implementation of the Funding Strategy and the Strategic Plan to “develop measures to strengthen the programmatic approach of the Benefit-sharing Fund, in order to make the Fund’s operations more attractive and predictable to prospective donors and recipients, including to:

- i) Improve thematic coherence between individual projects, and over project cycles, including by reconsidering the current arrangements for project execution;
- ii) Develop a long-term investment strategy for the Benefit-sharing Fund, with objectives, expected results and indicators and an appropriate monitoring and evaluation system;

iii) Promote synergy between the Benefit-sharing Fund and the Funding Strategy, of which it is a part”.

19. The Committee emphasizes the importance of the programmatic approach to the Benefit-sharing Fund in order to use available resources more efficiently and to facilitate building complementarities with other elements of the Funding Strategy. In the course of the biennium, the Committee made progress in the development of the programmatic approach of the Benefit-sharing Fund as reflected in Section IV of the Draft Annotated outline for an updated Funding Strategy: *Programmatic Approach and the instruments under the direct control of the Governing Body*. The draft elements of a resolution foresee how the Committee will further develop the programmatic approach, for consideration and adoption by the Governing Body.

20. The Committee was informed that the Bureau plans to launch the fourth funding cycle of the Benefit-sharing Fund by the Seventh Session of the Governing Body. The Committee requested its Co-Chairs to liaise with the Bureau of the Governing Body to inform about progress made in the updating of the Funding Strategy and explore the possibility of using the fourth funding cycle to bridge into the proposed programmatic approach of the updated Funding Strategy.

V. MEASURES TO STRENGTHEN THE IMPLEMENTATION OF ELEMENTS OF THE FUNDING STRATEGY, OTHER THAN THE BENEFIT-SHARING FUND

21. The Governing Body, through Resolution 2/2015, requested the Committee to “consider the development of other measures to strengthen the implementation of the overall Funding Strategy, including to ensure the sustainability and predictability in the provision of financial resources to elements of the Funding Strategy, other than the Benefit-sharing Fund.”

22. The Committee emphasizes the importance for the Governing Body to improve implementation of the Funding Strategy by having a greater focus on resources other than those provided by the Benefit-sharing Fund, but embedding both in the common programmatic approach.

23. Results expected to arise from the updating of the Funding Strategy would include:

- i) Improved information on national and bilateral funding for activities relevant to Treaty implementation based on reporting by Contracting Parties. Such information will enable the Governing Body to develop measures to improve funding opportunities for Treaty implementation at the national level. National focal points and other Treaty stakeholders will be able to make the case to national decision-makers and development agencies for the importance of plant genetic resources for food and agriculture as well as the interlinkages with these other development issues;
- ii) Improved information on funding available in relevant international mechanisms, funds and bodies. The Governing Body should strengthen cooperation with the GCDT, the CGIAR, FAO, GEF, GCF and others;
- iii) Strengthening linkages between different funding sources and partners, by pursuing collaborative planning and co-spending opportunities and identifying the appropriate channels to make such linkages;
- iv) Strengthening the delivery of non-monetary benefit-sharing through the overall Funding Strategy.

VI. ORGANIZATIONAL MATTERS

24. The updated Funding Strategy and its Annexes will need to be further developed by the Committee, during the next biennium, to enable its consideration and approval by the Governing Body, at its Eighth Session.
25. Information gathering on financial resources supportive to Treaty implementation and that are not under the direct control of the Governing Body will be a priority during next biennium. Without having a comprehensive assessment of the different funding tools and resources available at the multilateral, bilateral and national level, it will be not possible to populate the Matrix of Funding Tools contained in *Appendix 2* of the Annotated Outline for the Funding Strategy, and the Governing Body will not be able to develop measures to increase funding opportunities for Treaty implementation and establish or strengthen linkages and cooperation with others. It would also not be able to decide in an informed manner on the objectives and priorities for the funds available under its direct control and decide on how these funds may be used in the most catalytic and synergistic manner. The draft Annotated Outline, in its paragraph 20, details different data sources that would be required to enable such assessment.
26. In order to enable such information gathering, the Secretariat will have to prepare a reporting format based on information needed for the Matrix of Funding Tools contained in *Appendix 2* of the Annotated Outline for the Funding Strategy. Such a format will enable Contracting Parties to provide information to the Secretary on bilateral programmes and funding for national PGRFA activities for compilation and analysis by the Committee. Information gathering on funding opportunities within relevant international mechanisms, funds and bodies and other international organizations will also be required during the next biennium.
27. The Committee recognized that stakeholders can play an important role in better leveraging funding for Treaty implementation and they are the main actors in the delivery of non-monetary benefit-sharing (capacity building; information sharing; technology transfer). Their advice would enable the Committee to make informed proposals to the Governing Body on how to improve the delivery of non-monetary benefit-sharing. The Committee recommends that the Governing Body clarifies the involvement of stakeholder groups in the work of the Committee.
28. The Governing Body needs also to consider that the Committee will have to play an important role in the further development during the next biennium of an updated Funding Strategy and its implementation after that. It will therefore be required to consider matters related to the Committee's mandate, nature and composition. The draft elements for the Resolution provides language for consideration by the Governing Body to this effect. The Committee recommends that it meets two or three times during the next biennium.
29. There are financial implications related to the updating of the Funding Strategy during the next biennium. The Governing Body will need to consider such implications in the adoption of its Programme of Work and Budget for next biennium.

*Annex 1***DRAFT ELEMENTS FOR RESOLUTION **/2017 – IMPLEMENTATION OF THE FUNDING STRATEGY OF THE INTERNATIONAL TREATY****THE GOVERNING BODY,**

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

Recalling Resolution 2/2015 and other previous Resolutions on the implementation of the Funding Strategy;

1. **Welcomes** the report of the *Ad Hoc* Committee on the Funding Strategy and the progress made, so far, towards enhancing the functioning of the Funding Strategy;
2. **Decides** to update the Funding Strategy of the International Treaty with a view to adopt a dynamic and synergistic programmatic approach that will:
 - i) Improve funding opportunities for the implementation of the International Treaty by making the case to national decision-makers and development agencies of the importance of PGRFA as well as the interlinkages with other development issues.
 - ii) Strengthen linkages between different funding sources and partners relevant to the International Treaty, by pursuing collaborative planning and co-spending opportunities and identifying appropriate channels to make such linkages.
 - iii) Provide for a process for monitoring, evaluating and learning from lessons, experiences and information gained in previous implementation phases, and to structure new funding opportunities and identify and fill in gaps, including through the engagement of Treaty stakeholders.
3. **Takes note** of the Annotated Outline for an updated Funding Strategy, as contained in the *Annex to this Resolution*, and adopts the new vision and Results Framework for the Funding Strategy of the International Treaty;
4. **Decides** to rename the Committee [and make it a standing Committee]: the Committee on the Funding Strategy and Resource Mobilization.
5. **Decides** to reconvene the Committee, with a revised mandate and composition, in order to:
 - i) Develop the updated Funding Strategy and related Annexes for consideration and approval by the Eighth Session of the Governing Body, including to:
 - a) Finalize the programmatic approach for the Funding Strategy that will enable the Governing Body to link different funding tools with the areas and enabling mechanisms of the International Treaty;
 - b) Further develop measures to improve cooperation with international organizations as well as improve reporting on national, bilateral and multilateral funding activities relevant to the Treaty implementation and to leverage funding from different sources and partners;

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- c) Establish the target for the overall Funding Strategy and the targets for the two main funding tools under the direct control of the Governing Body, namely: the Benefit-sharing Fund and the Trust Fund for Agreed Purposes;
 - d) Oversee the development of the objectives, priorities, monitoring and evaluation framework and operational manuals for the funding tools under the direct control of the Governing Body;
 - e) Recommend measures to enable synchronizing and coordinating the reporting on the Funding Strategy with other reporting requirements, in collaboration with the Compliance Committee and FAO;
- ii) Advise on resource mobilization efforts and on leveraging funding and developing synergies between different funding sources and partners during the biennium, in particular by engaging stakeholder groups, implementing agencies of multilateral mechanisms, Official Development Assistance agencies and others in the implementation of the International Treaty;
 - iii) Improve communication and visibility of Funding Tools in support of the implementation of the International Treaty during the biennium;
 - iv) Recommend measures to promote the delivery of non-monetary benefit-sharing through the Funding Strategy.
6. **Decides** that the Committee shall be composed of two representatives from each region and that other Contracting Parties may also participate in an observer capacity;
7. **[Decides** to invite two representatives from each of the following stakeholder groups as active observers to provide advice to the Committee in supporting the updating of the Funding Strategy:
- i) Farmers' organizations;
 - ii) The CGIAR and other international institutions that have signed Article 15 agreements;
 - iii) The seed industry;
 - iv) Research Institutions and Foundations;
 - v) Civil society organizations;
 - vi) Food processing industry.]
8. **Invites** the Global Crop Diversity Trust as an active observer to provide advice to the work of the Committee;
9. **Calls upon** FAO to prioritize the delivery of programmes and projects supportive of the Treaty implementation, and to support the nexus between biodiversity and climate change, in particular, through its involvement in the Global Environment Facility and Global Climate Fund, as appropriate, and to actively contribute to the work of the Committee;
10. **Requests** the Secretary to develop a reporting format based on information needed for the Matrix of Funding Tools contained in Appendix 2 of the Annotated Outline for the Funding Strategy

and invites Contracting Parties to provide information to the Secretary on bilateral programmes and funding for national PGRFA activities for compilation and analysis by the Committee in order to finalize the updated Funding Strategy;

11. **Invites** relevant international mechanisms, funds and bodies, stakeholder groups and other international organizations to provide information to the Secretariat that will enable the Committee to better leverage funding for Treaty implementation and the delivery of non-monetary benefit-sharing;

12. [**Urgently calls upon** Contracting Parties, the private sector and other donors to [make][continue making and expand] contributions to the funding tools under the Funding Strategy, in particular those under the direct control of the Governing Body;]

13. **Requests** the Bureau, in the implementation of the fourth funding cycle of the Benefit-sharing Fund, to take into account the new Vision and Annotated Outline for an updated Funding Strategy, to bridge into the proposed programmatic approach of the updated Funding Strategy;

14. **Decides** that the costs of the meetings of and the preparatory work for the Committee, including those to facilitate the participation of members of the Committee, shall be included in the Core Administrative Budget as may be adopted by the Governing Body, supplemented by any voluntary contributions made available for that purpose, and requests the Secretary to include such costs into the Core Administrative Budget that is presented to the Governing Body for approval at its Regular Sessions;

15. **Calls on** donors to support developing countries and the Secretary with the costs of the work and activities referred to in para. 10 above.

*Annex to the Resolution***ANNOTATED OUTLINE: UPDATED FUNDING STRATEGY****I. INTRODUCTION**

1. The objectives of the International Treaty are the conservation and sustainable use of plant genetic resources for food and agriculture (PGRFA) and the fair and equitable sharing of the benefits arising out of their use, in harmony with the Convention on Biological Diversity, for sustainable agriculture and food security.
2. Plant genetic resources for food and agriculture make essential contributions to increasing and safeguarding food security and nutrition, improving rural livelihoods and economies, supporting the maintenance of biodiversity and to meeting the challenges of adapting to climate change.
3. The International Treaty enables Contracting Parties, farmers, plant breeders and other stakeholders around the world to use, conserve and share PGRFA leading to increased productivity and on-farm incomes, increased availability of diverse nutrient-rich food, reduced adverse impacts to the environment and enhanced resilience to production shocks. It supports the safeguarding of biodiversity for the future.
4. An effective Funding Strategy is critical to the implementation of the International Treaty and its regular review and improvement supports the enhancement of other Treaty mechanisms, such as the Multilateral System (Resolution 2/2015, paras. 1 and 2).

II. RATIONALE & VISION

5. The objective of the Funding Strategy is to enhance the availability, predictability, transparency, efficiency and effectiveness of the provision of financial resources to implement activities under the Treaty, in accordance with Article 18 of the Treaty (Art.18.2).
6. The Funding Strategy provides an overview of activities to be implemented under the Treaty and the different funding tools and sources available, including: (1) funding tools for resources under direct control of the Governing Body (e.g. BSF, Fund for agreed purposes), and (2) funding tools for resources not under the direct control of the Governing Body (including international organizations with which the Governing Body has entered into agreements such as the Global Crop Diversity Trust (GCDDT), as well as relevant international mechanisms, funds and bodies, bilateral cooperation and assistance and national funding for PGRFA.
7. The Strategy takes into account Article 18.4 of the International Treaty and includes a funding target identified by the Treaty Contracting Parties to mobilize funding for priority activities, plans and programs under the Treaty (Art.18.3). There will also be a funding target for the Benefit-sharing Fund and the Fund for Agreed Purposes. Priority will be given to the implementation of agreed plans and programmes for farmers in developing countries who conserve and sustainably utilize PGRFA (Art. 18.5).
8. The first Funding Strategy was adopted in 2006. In 2017, the Funding Strategy was reviewed with a view to enhance its functioning. These are some of the considerations taken into account in undertaking such review:
 - i) Improve funding opportunities for the Treaty implementation by making the case to national decision-makers and development agencies of the importance of PGRFA as well as the interlinkages with other development issues (ACFS-8 Report, para. 11);

- ii) The next phase of the implementation of the Funding Strategy should aim at strengthening linkages between different funding sources and partners, by pursuing collaborative planning and co-spending opportunities and identifying appropriate channels to make such linkages (ACFS-8 Report, para. 26);
- iii) Build on the experience gained and lessons learned in the management of resources under the direct control of the Governing Body, in particular the Benefit-sharing Fund (ACFS-8 Report, paras. 10 and 18);
- iv) Improve implementation of the Funding Strategy by having an increased focus on resources other than those provided by the Benefit-sharing Fund, including by addressing cooperation with other international mechanisms and improving reporting on national, bilateral and multilateral funding for the activities relevant to Treaty implementation. (ACFS-8 Report, para. 26);
- v) Without prejudging the outcome of ongoing international funding negotiations, the updated Funding Strategy should take into account global trends and realities of the donor environment while acknowledging Article 18.4 (b) and (c) of the Treaty (ACFS-8 Report, para.10). There have been changes in the funding landscape and the Benefit-sharing Fund and other funding mechanisms under the direct control of the Governing Body need to adapt and evolve to donor and recipient needs, thus increasing its potential to attract adequate, and diverse funding that ensures a long-term perspective. Consequently the updated Funding Strategy should respond to emerging funding trends, provide flexibility to adapt to a changing environment and ensure an efficient and coherent funding approach across Treaty mechanisms (ACFS-8 Report, para. 18);
- vi) The updated Funding Strategy should clarify terminology used and which Annexes apply exclusively to the Benefit-sharing Fund and which ones apply to the Funding Strategy (ACFS-8 Report, para.5);
- vii) The challenges experienced during the previous strategic planning period (specifically the transaction cost challenges associated with competitive project application procedures) suggest an opportunity to use available funding more strategically to build synergies and leverage additional resources, for the ultimate benefit of the target beneficiaries identified in Article 18.5 of the Treaty;
- viii) Funding under the direct control of the Governing Body should be used strategically to leverage additional resources and cover critical gaps in programmatic implementation;
- ix) Recognizing its critical role to the Treaty, the implementation of the Funding Strategy should be regularly reviewed. The regular reviews should provide for a process for monitoring, evaluating and learning from lessons, experiences and information gained in previous implementation phases, and for structuring new funding opportunities and identifying and filling in gaps.

9. A new Vision for the Funding Strategy:

The Funding Strategy enables the Governing Body, Contracting Parties, funding agencies, farmers and other relevant actors to secure funding and other resources for the programmatic implementation of the International Treaty in a long-term, coordinated, synergistic and effective manner.

III. ENABLING TREATY IMPLEMENTATION THROUGH THE FUNDING STRATEGY: PROGRAMMATIC APPROACH

10. This section of the updated Funding Strategy outlines the activities, plans and programs under the Treaty.

11. In order to achieve its objectives, the International Treaty provides for a number of activities to underpin conservation of plant genetic resources through ex situ and in situ conservation of PGRFA. The on-farm management of PGRFA also contributes to their conservation by enabling continuous use in farmers' fields. Breeding and pre-breeding efforts are key activities in the research and development of new adapted varieties that farmers need.

12. The fair and equitable sharing of the benefits arising out of PGRFA use are realized within the International Treaty through four types of benefit-sharing: the sharing of monetary and other benefits from commercialization; capacity building; access to and transfer of technology and exchange of information. The facilitated access to PGRFA within the Multilateral System is recognized as an important benefit resulting from the International Treaty.

13. There are a number of provisions and mechanisms specific to the International Treaty and that enable the realization of its objectives, including in particular the Multilateral System; the Global Information System; the programme on Sustainable Use and Farmers' Rights.

14. The Global Plan of Action for PGRFA is a supporting component of the International Treaty (Art. 14). There are linkages with the Second GPA: the Commission recommended that the Second GPA be focused, so as to assist priority setting, including identifying priorities for the Funding Strategy of the International Treaty (para. 17 GPA).

15. While non-monetary benefit-sharing and farmers' in-kind contributions are not funding contributions in nature, taking them into account in the context of the Funding Strategy will increase the potential to achieve synergies when considering sources and uses of funding, as well as the effective implementation of the International Treaty.

16. Potential sources for financial resources for the Funding Strategy will include:

- i) Financial resources provided by developed country Contracting Parties, which Contracting Parties that are developing countries and countries with economies in transition avail themselves of, through bilateral and regional and multilateral channels;
- ii) Financial resources for priority activities, plans and programmes relevant to the implementation of the Treaty provided by relevant international mechanisms, funds and bodies;
- iii) Financial resources for national activities for the conservation and sustainable use of PGRFA, in accordance with each Contracting Party's national capabilities and financial resources;
- iv) Financial resources resulting from the sharing of monetary benefits under the Multilateral System;
- v) Voluntary contributions from Contracting Parties; the private sector, taking into account the provisions of Article 13, non-governmental organisations and other sources;

vi) Financial resources provided through the Regular Programme of FAO (Funding Strategy 2006; Section II (AIMS)).

17. These funding tools are available to enable the implementation of the International Treaty

- i) Tools not under direct control of the Governing Body:
 - a) international organizations with which the Governing Body has entered into an agreement in relation to the Funding Strategy: GCDT;
 - b) CGIAR and other international organizations with which the Governing Body has entered into agreements under Article 15;
 - c) multilateral mechanisms: Global Environment Facility (GEF), Green Climate Fund (GCF); World Bank, International Finance Corporation, incl. their respective objectives and mechanisms;
 - d) FAO programmes and projects related to Treaty implementation, including its role as accredited or implementing entities for multilateral funds, such as GEF and GCF;
 - e) bilateral cooperation;
 - f) national measures.
- ii) Tools under direct control of the Governing Body:
 - a) Fund for agreed Purposes;
 - b) Benefit-sharing Fund;
 - c) Core Administrative Budget of the International Treaty.

18. The Results Framework in *Appendix 1* provides a visual summary of the role of the Funding Strategy within the International Treaty.

19. The Matrix provided in *Appendix 2* makes the link between these different funding tools and the areas and programmes under the Treaty. This is an initial snapshot to be able to develop a set of initial measures to strengthen implementation of the Funding Strategy, as well as to identify gaps and value addition that the funding tools under the direct control of the Governing Body need to fill in. Making a comprehensive assessment would be a complex exercise at this stage but would be possible once the reporting on different funding tools has been improved.

20. Under the programmatic approach, targets for the Funding Strategy will be set for a given timeframe and reviewed periodically. Setting the initial target requires that baseline information be gathered and thereafter kept updated. The Secretary will develop a methodology for gathering and updating such information. Potential data sources include:

- i) Studies by the Secretary;
- ii) Donor reports on bilateral programmes;

- iii) Reports on national funding and activities;
- iv) National needs self-assessments;
- v) Reports from international mechanisms, funds and bodies;
- vi) Analysis of other relevant reporting.

21. Once the initial target has been set, progress will be monitored by the Committee on the Funding Strategy, which will make recommendations to the Governing Body for its consideration, including advice on the strategic use of resources under its direct control.

22. The programmatic approach should improve funding opportunities for the Treaty implementation by making the case to national decision-makers and development agencies of the importance of PGRFA as well as the interlinkages with other development issues and by strengthening linkages between different funding sources and partners, by pursuing co-spending opportunities and identifying appropriate channels to make such linkages. It should enable the Governing Body to improve Treaty implementation through funding that is not under its direct control and with other multilateral mechanisms relevant to the Funding Strategy and use funds under its direct control more strategically to leverage additional resources and cover critical gaps in programmatic implementation.

IV. PROGRAMMATIC APPROACH AND THE INSTRUMENTS UNDER THE DIRECT CONTROL OF THE GOVERNING BODY

23. Role and value added within the Funding Strategy: with these tools the Governing Body can emphasize priorities and mainly close gaps identified in the Treaty surrounding funding environment. These tools should also allow to leverage other funding and potential non-monetary resources towards the implementation of the Treaty.

24. The Benefit-sharing Fund is a mechanism to mainly share the benefits arising from the Multilateral System but it also includes voluntary contributions from Contracting Parties and others.

25. The programmatic approach to the Benefit-sharing Fund allows to use available resources more efficiently. It should:

- i) Create a common storyline on how the Fund generates benefits from the local to the national and global levels;
- ii) develop a “theory of change” for the Benefit-sharing Fund and the impact pathways to enable such change;
- iii) recognize that the Benefit-sharing Fund is part of the results framework for the Funding Strategy; and that its “theory of change” has to enable synergies and complementarities, whilst avoiding duplication of efforts with other tools of the Funding Strategy;
- iv) test innovative interventions to leverage further resources and action for Treaty implementation, in particular at the national level;
- v) enable the Benefit-sharing Fund to be more responsive to regional and local needs and circumstances;

vi) have clear links to the priorities of the Global Plan of Action on PGRFA.

26. In order to be effective, the development of the programmatic approach should be complemented with improvements to the selection criteria, such as consideration of impact pathways, as well as the administration of project agreements and, in particular, timely disbursement of funds.

27. The programmatic approach for the Benefit-sharing Fund should bring together resource mobilization, allocation and disbursement in an integrated manner, and be integrated into the overall Funding Strategy.

28. The main beneficiaries of the programmatic approach should be farmers. All projects should therefore demonstrate the benefits arising for 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 farmers to ex situ collections and back.

29. Strategic planning should have a focus on facilitating national planning and raising the profile of PGRFA in national development plans.

30. In addition, funding should enable Contracting Parties to improve the effective implementation of the Multilateral System, through the inclusion of additional materials and other measures.

31. Funding provided through the Benefit-sharing Fund should catalyse mobilization of additional resources not under the direct control of the Governing Body, for example by supporting project proposal development.

32. Lessons learnt from previous project cycles should be considered and integrated.

33. Eligibility criteria for the use of funds for developing countries, regardless of any other criteria not established in the Treaty, should be part of the operational manuals.

34. Targets for the Fund for Agreed Purposes and the Benefit-sharing Fund shall be derived from the recommendations of the Committee on the Funding Strategy referred to in para. 21 above and might not coincide with the timeframe established by the Governing Body for the overall Funding Strategy.

35. In setting the objectives and priorities of the Fund for Agreed Purposes (FAP), the Governing Body should take into account the principles of synergies and complementarity.

36. Monitoring and Evaluation Frameworks for resources under direct control of the Governing Body should be designed to ensure accountability, enable continuous learning and enhance communication and visibility. Doing so should also strengthen synergies and complementarities with funding and resources not under the direct control of the Governing Body.

37. Reference to Core Administrative Budget should also be made in order to ensure consistency and stability.

38. Links to Annexes which provide details on operations:

ANNEX XX: OPERATIONS MANUAL: FUND FOR AGREED PURPOSES

ANNEX XX: OPERATIONS MANUAL: BENEFIT-SHARING FUND

**ANNEX XX: ADDITIONAL INFORMATION ON IMPLEMENTATION,
MONITORING AND REVIEW**

Appendix 1 of the Annotated Outline: RESULTS FRAMEWORK



