

June 2017



**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**

**NINTH MEETING OF THE *AD HOC* ADVISORY COMMITTEE ON THE
FUNDING STRATEGY**

Rome, Italy, 20–22 June 2017

**COMPILATION OF SUBMISSIONS RECEIVED FROM MEMBERS OF THE
COMMITTEE**

Note by the Secretary

1. At its eight meeting, the *Ad Hoc* Advisory Committee on the Funding Strategy (the Committee) requested its Members to provide written comments to the Secretariat, on the following:

- Funding Strategy for the Implementation of the International Treaty (IT/ACFS-8/17/Inf.2);
- Strategic Plan for implementation of the Benefit-sharing Fund of the Funding Strategy 2009-2014 (IT/ACFS-8/17/Inf.3);
- Elements of the Mid-Term Plan of the Benefit-sharing Fund (IT/ACFS-8/17/Inf.6);
- How the programmatic approach for the Benefit-sharing Fund will be embedded in the overall Funding Strategy and relate to other funds available to the Governing Body; and,
- Any other relevant considerations.¹

2. This document compiles the submissions received from Committee Members, in preparation for the ninth meeting of the Committee.

3. The submissions are compiled in language and form, as well as in the sequence, in which they were received.

¹ IT/ACFS-8/17/Report, para. 32.

List of Appendixes

1. Submission by Japan, received on 11 May 2017, *Appendix 1*

2. Submission by Argentina, received on 19 May 2017, *Appendix 2*

Appendix 1: Submission by Japan

Comments from Japan to the 9th Meeting of the Ad-hoc Advisory Committee on the Funding Strategy

1. Setting the Benefit Sharing Fund (BSF) Target

(1) IT/ACFS-8/17/Inf.3 gives four primary reasons to focus on securing government contributions to the BSF (p.17) and the prospects for the BSF, in which the share of contributions from the Contracting Parties in the total income is described as 75-85 percent (p.18, Table 3). The BSF is a mechanism to share the benefits arising from the utilization of Plant Genetic Resources for Food and Agriculture (PGRFA) in the Multilateral System (MLS) of the International Treaty on Plant Genetic Resources for Food and Agriculture (the Treaty). Although the income of the BSF currently includes voluntary contributions from the Contracting Parties, Japan believes that such contributions should be temporary, as such support from the Contracting Parties should aim only at a smooth launch of the MLS. Japan would also like to point out that the current target income of USD 116.8 million, which mainly depends on voluntary contribution, is too large and unrealistic.

Therefore, a new target income should be set by taking into account predictability and sustainability of the system, while considering the viewpoint of fair and equitable sharing of the benefits that arise from the utilization of PGRFA, which is the original objective of the BSF.

(2) The target income of the BSF is defined by the benefits arising from the utilization of PGRFA in the MLS. Thus, it becomes necessary to set annual target numbers for the utilization of PGRFA in the MLS, if any target will be established,. This is practically equal to setting annual numerical targets of PGRFA newly introduced into the MLS, because it is very unlikely that users of PGRFA repeatedly make access to the same PGRFA in the MLS.

Therefore, Japan strongly believes that annual numerical targets of PGRFA newly introduced into the MLS is necessary when establishing a target income of the BSF.

(3) The target income of the BSF should be calculated in a reasonable manner, paying due attention to the Global Plan of Action (GPA) as stipulated in the Article 18.3 of the Treaty. However, the current method in calculating the target is not appropriate in terms of the following perspectives;

* The GPA should be mainly implemented by national governments utilizing their own financial resources, and international cooperation funding should only complement such domestic resources (the Second GPA, summary of paragraph 319 and 320). Therefore, the amount of the target income of the BSF should be smaller than the total amount required to implement the GPA, as the BSF is expected to be an international cooperation funding (para 320, the Second GPA). However, in the current calculation, the entire amount required to implement the GPA is automatically used as the target income of the BSF. In this regard, the expenditures for national activities

utilizing domestic financial resources should be excluded from the calculation of the target income.

- * It seems that the current target income of the BSF is derived from the estimated amount necessary to implement prioritized activities of the GPA, presented at the Fourth International Technical Conference on Plant Genetic Resources (USD 116.8 million/5 years, Table 1, IT/ACFS-8/17/Inf.3). However, the Conference failed to reach an agreement on this amount. We think that such an unapproved figure should not be used as a basis of a target income.

2. Facilitation of Registration of PGRFA to the MLS

It is important to accelerate further conservation and utilization of PGRFA across the world and to share its benefits fairly among providers, users and the Contracting Parties of the Treaty. To this end, it is necessary to establish a system to facilitate registration of novel PGRFA to the MLS to make providers and users jointly share the benefit from the utilization of PGRFA in the MLS. To enable this, Japan considers it important to introduce the following elements to the funding strategy:

- (1) At present, any developing country can access to the BSF without restriction. However, if a country is eligible to utilize the BSF, even though it has not provide PGRFA to the MLS, it will deny the logical linkage between the utilization of PGRFA in the MLS and the sharing of benefit arising from such utilization. Therefore, the BSF should be made accessible only to countries that have provided PGRFA directly to the MLS, or in case of the countries that lack such capabilities, have provided PGRFA through the CGIAR to the MLS. Under such conditions, we expect that incentives for the Contracting Parties to provide PGRFA to the MLS will increase, and as a result of that, more financial resources will be contributed to the BSF.
- (2) The registration to the MLS of PGRFA whose collection and conservation has been achieved by BFS funded projects should be promoted, so that it becomes possible for all the Contracting Parties to utilize such PGRFA.
- (3) It is necessary to establish a new plant breeding model, which enables the transfer of PGRFA from in situ to ex situ (the MLS), in accordance with ITPGRFA 12.3(h). That model, for example, may allow provider and user solely utilize collected PGRFA for a certain period of time. After the expiration of the period, the collected PGRFA would be provided to the MLS (directly or through CGIAR) and be made available to other countries. Such new model intends to offer an opportunity for benefit-sharing between providers and users while making access to PGFRA in the multilateral context easier, combining the advantages of both CBD/Nagoya Protocol and the Treaty in an attempt to implement them in a mutually complementary manner. This could bring merits fairly to providers, users and al the Contracting Parties. Realization of this innovative model should be supported through the funding strategy. An expert from our country proposed and explained the details of this new model at the Workshop for Nagoya Protocol and Plant Treaty national

focal points in South and Southeast Asia held at IRRI in March 2017.

3. Effective and efficient implementation of BSF-funded projects

- (1) In light of the objectives (Article 1) of the Treaty, allocation of the BSF should be concentrated on projects which directly contribute to enable equitable access and utilization of PGRFA for all the Contracting Parties, as well as those projects which contribute to conservation of PGRFA
- (2) It is important to share information among the Contracting Parties (especially donors to the BSF) on projects supported by the BSF including their nature and outcomes, so as to ensure full transparency.

*Appendix 2: Submission by Argentina***Comments of Argentina in response to the request made by the Advisory Committee on the Funding Strategy, at Paragraph 32 of the IT/ACFS-8/17/Report, to provide written comments to the Secretariat.**

After having conducted informal consultations among GRULAC's Members regarding the aforementioned documents, Argentina submits its comments which set forth the following main results:

DOC. IT/ACFS-8/17/Inf.2

Regarding Annex 2 "Eligibility criteria for the use...", we would like to add that developing countries are eligible regardless their per capita income. Otherwise, Annex's 2 as written, would allow the possibility to exclude developing countries' projects just because they are middle-income countries, by applying non-written criteria such as World Bank income standards.

In relation with Annex 3 "Operational procedures for...", we are of the view that "equitable regional distribution" could be included as a new principle to govern the procedure.

DOC. IT/ACFS-8/17/Inf.4: Exploring Proposal to Develop a Mechanism of Contributions by Contracting Parties to the Benefit-Sharing Fund

There is a wide consensus among GRULAC's Members that the Benefit-Sharing Mechanism has not met regional expectations, therefore there is a need to enhance it. However, it is our understanding that it is very difficult to engage in discussions regarding genetic resources access without a previous implementation of an effective and operative Benefit-Sharing Mechanism.

In this regard, although some GRULAC's Members support the possibility of developing a mechanism of contributions by Contracting Parties to the Benefit-sharing Fund, it is necessary to have more clarifications on how the methods proposed by the Asia Region and the Near East Region would work. Namely, how contributions would be determined and how this mechanism could be reliable and multilaterally monitored.

Furthermore, there are two positions among GRULAC's Members regarding how to determine National Contributions: while some Members consider that National Contributions should be based on the United Nations Contributions' Scale, because it provides predictability and stability, others believe that Contributions could be based on annual seed sales. In addition, others support voluntary contributions.

In sum, it is clear that there is no consensus among GRULAC's Members neither on imposing National Contributions nor on basing them on their annual seed sales.

In addition, regarding Voluntary Contributions, GRULAC's Members consider that it is desirable that those contributions are not previously determined.

DOC. IT/ACFS-8/17/Inf.6: Elements of the Mid-Term of the Benefit-Sharing Fund

In general terms, GRULAC's Members agree with the three thematic areas set forth in the mid-term plan. However, they stress the need to include all developing countries in the list of eligible countries to be financed by the Benefit-Sharing Fund, regardless their average income. In fact, the practice to exclude middle-income countries from multilateral funding discourages them to support any mechanism to fund the Treaty.

In addition, GRULAC's Members recall that, on the one hand, transfer of technologies needs to be focused on up-to-dated technology and, on the other hand, the creation of new indicators to monitor outputs and impact should be discouraged, because it implies more human and financial resources to implement them.

Any other relevant consideration

Regarding the last topic to comment, some GRULAC's Members believe that a good way to enhance the Benefit-Sharing Fund is already included under the provisions of Article 18.4 of the Treaty. In this sense, Article 18.4 c) and Article 18.4 b) are mutually supportive because if Contracting Parties that are developed countries do not support financially the implementation of the Treaty, then, Contracting Parties that are developing countries and Contracting Parties with economies in transition will effectively implement their commitments.