



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**

**UPDATING THE FUNDING STRATEGY:  
ANNOTATED OUTLINE FOR A NEW FRAMEWORK**

**Note by the Secretary**

1. At its eighth meeting, the *Ad Hoc* Advisory Committee on the Funding Strategy (the Committee) requested the Co-Chairs, with support from the Secretariat, to “prepare a document for the next meeting of the Committee that outlines a framework for the overall Funding Strategy, including the Benefit-sharing Fund, and that brings together the different elements and features discussed above. The paper will identify main beneficiaries of the Funding Strategy, propose a strategic results framework and address how to build synergies between different funding mechanisms. The paper will need to address how to overcome the challenges experienced during the previous strategic planning period” (ACFS-8 Report, para. 34).
2. The draft annotated outline for an updated Funding Strategy is contained in *Appendix 1*. The results framework in *Appendix 2* provides a visual summary of the role of the Funding Strategy within the International Treaty. The matrix provided in *Appendix 3* makes the link between these different funding tools and the areas and programmes under the Treaty.
3. The Committee is requested to provide advice on how to improve the annotated outline and on how to finalize the process of updating the Funding Strategy during the current and next biennium.

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*List of Appendixes*

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1. Draft annotated outline for an updated Funding Strategy, *Appendix 1*
2. Results framework, *Appendix 2*
3. Matrix of funding tools and the areas and programmes under the International Treaty: First iteration, *Appendix 3*

*Appendix 1:*  
***DRAFT ANNOTATED OUTLINE FOR AN UPDATED FUNDING STRATEGY***

## **1. INTRODUCTION**

- 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.
- PGRFA 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.
- The International Treaty enables farmers around the world to use and conserve locally adapted varieties leading to increased productivity and on-farm incomes, increased availability of diverse nutrient-rich food, reduced adverse impacts on the environment and enhanced resilience to production shocks. It supports the safeguarding of biodiversity for the future.
- 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).

## **2. RATIONALE & VISION**

- 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).
- The Funding Strategy provides an overview of activities that need to be implemented under the Treaty and provides also an overview over the different funding tools and sources available, including: (1) funding tools for resources under direct control of the Governing Body (e.g. Benefit-sharing Fund, 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.
- The Funding Strategy includes a funding target identified by Contracting Parties to mobilize funding for priority activities, plans and programs under the Treaty (Art.18.3). 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).
- 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:
  - 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 (ACFS-8 Report, para. 11).
  - The next phase of the implementation of the Funding Strategy should aim at strengthening linkages between different funding sources and partners, by pursuing co-spending opportunities and identifying appropriate channels to make such linkages (ACFS-8 Report, para. 26).

- 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).
  - Improve implementation of the Funding Strategy by having a greater 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).
  - The updated Funding Strategy should take into account global trends and realities of the donor environment (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 Funding Strategy review 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).
  - The updated Funding Strategy should be clearer: need to clarify terminology used in the Funding Strategy, as well as the structure of the Funding Strategy to make it clear which Annexes apply exclusively to the Benefit-sharing Fund and which ones apply to the Funding Strategy (ACFS-8 Report, para.5). In this respect, the Funding Strategy review provides an opportunity to clarify if the Benefit-sharing Fund is a mechanism to share the benefits arising from the Multilateral System only or if it also includes voluntary contributions from Contracting Parties, as discussed in the submission by Japan. Eligibility criteria should be clarified as per the submission made by Argentina.
  - Although Art. 18.5 provides that “Priority will be given to the implementation of agreed plans and programmes for farmers in developing countries who conserve and sustainably utilize plant genetic resources for food and agriculture”, 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.
  - Funding under the direct control of the Governing Body should be used strategically to leverage additional resources and cover critical gaps in programmatic implementation.
  - Recognizing its critical role to the International Treaty, the Funding Strategy should be regularly reviewed. The regular reviews will provide for an iterative process to constantly learn from lessons, experiences and information gained in previous implementation phases, and be able to structure new funding opportunities and identify and fill in gaps.
- 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 implementation of all parts of the International Treaty in a long-term, coordinated, synergistic and effective manner that meets the needs of farmers and practitioners on the ground.

### 3. ENABLING TREATY IMPLEMENTATION THROUGH THE FUNDING STRATEGY: PROGRAMMATIC APPROACH

- This section of the updated Funding Strategy outlines the activities, plans and programmes under the Treaty.
- In order to achieve its objectives, the International Treaty provides for a number of activities to underpin conservation of PGRFA through *ex situ* and *in situ* conservation. 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.
- 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.
- There are a number of provisions and mechanisms specific to the International Treaty 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.
- The Global Plan of Action for PGRFA is a supporting component of the International Treaty (Art. 14). There are linkages with the Second Global Plan of Action (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 (GPA para. 17).
- 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.
- Potential sources for financial resources for the Funding Strategy will include (Funding Strategy 2006, Section II [AIMS]):
  - 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;
  - Financial resources for priority activities, plans and programmes relevant to the implementation of the Treaty provided by relevant international mechanisms, funds and bodies;
  - 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;
  - Financial resources resulting from the sharing of monetary benefits arising from the commercialization of PGRFA under Article 13.2d(ii) of the Treaty;
  - Voluntary contributions from Contracting Parties; the private sector, taking into account the provisions of Article 13, non-governmental organisations and other sources;
  - Financial resources provided through the Regular Programme of FAO.
- These funding tools are available to enable the implementation of the International Treaty:
  - Tools not under the direct control of the Governing Body:

- International organizations with which the Governing Body has entered into an agreement in relation to the Funding Strategy: GCDT,
    - multilateral mechanisms: Global Environment Facility (GEF), Green Climate Fund (GCF), World Bank (WB), International Finance Corporation (IFC), including their respective objectives and mechanisms,
    - bilateral cooperation,
    - national measures.
  - Tools under the direct control of the Governing Body:
    - Fund for agreed Purposes;
    - Benefit-sharing Fund;
    - Core Administrative Budget of the International Treaty.
- The results framework in *Appendix 2* provides a visual summary of the role of the Funding Strategy within the International Treaty.
  - The matrix provided in *Appendix 3* 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.
  - This programmatic approach will enable the Governing Body to set a Funding Strategy target for a given timeframe. 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.
  - Identifies goals/target outcomes/measures that the different sources/mechanisms within the Funding Strategy will have to address within the timeframe established above. The focus here is on the instruments not under direct control of the Governing Body as the other ones will be dealt with in the next chapter.

#### **4. PROGRAMMATIC APPROACH AND THE INSTRUMENTS UNDER THE DIRECT CONTROL OF THE GOVERNING BODY**

- 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.
- Targets for the Fund for Agreed Purposes and the Benefit-sharing Fund for the timeframe established.
- Objectives and priorities of the Fund for Agreed Purposes.
- Objectives and priorities of the Benefit-sharing Fund.
- Monitoring and Evaluation Framework to identify resources mobilised and applied, identify gaps in resources available for the programmatic approach, plan strategic

interventions to fill gaps and enhance synergies with funding and resources not under the direct control of the Governing Body.

- Links to an Annex which provides details on operations: Operations Manual.
- ACFS-8 Report, section 5.3, *Measures to strengthen the programmatic approach of the Benefit-sharing Fund*, should be taken into account in preparing this section, as well as relevant information contained in the submissions by Contracting Parties.
- Reference to Core Administrative Budget should also be made in order to ensure consistency and stability.

## 5. IMPLEMENTATION, MONITORING AND REVIEW AND RE-PLANNING

- Building blocks to support implementation, monitoring and review, and strategic re-planning.



- Through the monitoring of the Funding Strategy of the International Treaty, the Governing Body will be able to monitor resources available for the implementation of the Second GPA. The priorities for support under the Funding Strategy are the priority activities of the rolling GPA (GPA para. 321).
- Links to an Annex that provides further information to keep this section short.

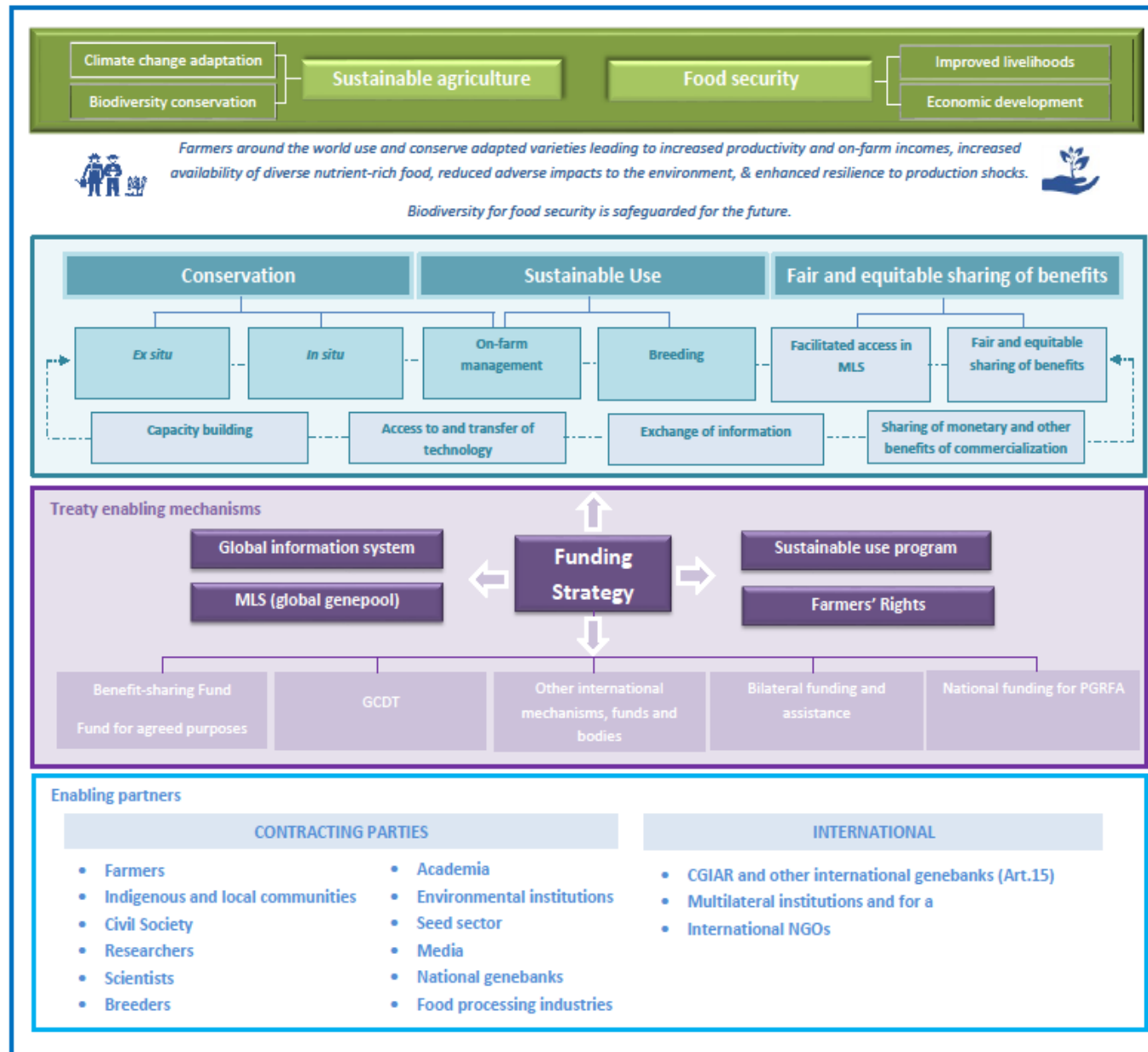
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**ANNEX XX: OPERATIONS MANUAL: FUNDS FOR AGREED PURPOSES**

**ANNEX XX: OPERATIONS MANUAL: BENEFIT-SHARING FUND**

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

## Appendix 2: RESULTS FRAMEWORK





## Appendix 3:

**MATRIX OF FUNDING TOOLS AND THE AREAS AND PROGRAMMES UNDER THE INTERNATIONAL TREATY: FIRST ITERATION**

Funding Tools	PGRFA Conservation & Sustainable Use						Treaty Enabling Mechanisms & Provisions			
	Ex situ			In situ	On-Farm Management	Breeding	Non-monetary benefit-sharing	Multilateral System	Global Information System	Farmers' Contributions & Rights
	Glob	Reg	Nat							
Funds under the direct control of the Governing Body					XX		XX	XX	XX	X
Global Crop Diversity Trust	XX	XX	X						XX	
Other international mechanisms, funds and bodies										
GEF				XX	XX			X		X
GCF										
IFAD					X					
CGIAR Fund	XX					XX				
World Bank and IFC	X					XX				
Bilateral Funding and Assistance		X	X		X	X		X		X
National funding for PGRFA			XX	X	X	XX			X	XX

XX: Funding for the area is a high priority of the funding tool

X: Funding for the area is not a high priority but still relevant

- *Ex situ* reflecting GPA-2 priority activities 5, 6, 7, 8. The *ex situ* column has been split into global, regional and national *ex situ* collections
- *In situ* reflecting GPA-2 priority activities 1, 4.
- On-farm management reflecting on GPA-2 priority activities 2, 3, 10, 11.
- Breeding reflecting on GPA-2 priority activities 9, 11, 12.
- Non-monetary benefit-sharing includes: capacity-building; information sharing; transfer of technologies; and reflects GPA-2 priority activities 15, 17.
- GPA-2 priority activities 13 to 18 are cross-cutting to all aspects of the International Treaty.
  
- The categories of Funding Tools currently in the table include those that were contained in Annex 4 of the Funding Strategy (2006) on reporting and information.
  
- There are other funding tools that are not contained in the table but are or can become relevant to the Funding Strategy of the International Treaty. There is scope for further engagement and provision of voluntary contributions from the food processing industries and foundations. South-South and plurilateral cooperation are also of growing importance and would need to be better reflected in further work in relation to the Funding Strategy. The private sector supports Treaty implementation through investment in crop breeding, philanthropic programmes and the delivery of non-monetary benefit sharing. There are also investments being made by local actors within Contracting Parties to support the Treaty implementation, including efforts of farmers, local and indigenous communities. The GCDT is aiming at improving mobilization of funding from individuals and through innovative financial mechanisms.