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The International Treaty
ON PLANT GENETIC RESOURCES
FOR FOOD AND AGRICULTURE

INTERNATIONAL TREATY ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE

FIFTH MEETING OF THE STANDING COMMITTEE ON THE FUNDING STRATEGY AND RESOURCE MOBILIZATION

15 – 17 February 2022

THE FIFTH CYCLE OF THE BENEFIT-SHARING FUND

I. INTRODUCTION

1. At its Eighth Session, the Governing Body delegated the authority for the operations of the Benefit-sharing Fund during the biennium to the Standing Committee on the Funding Strategy and Resource Mobilization (the Funding Committee).¹
2. At its second meeting, the Funding Committee finalized the *Operational Plan for the Funding Strategy 2020-2025*.² The Operational Plan contains a milestone for the Fifth Cycle of the Benefit-sharing Fund (BSF-5) to be initiated in 2021.
3. At its third meeting, the Funding Committee discussed the *Options Paper for BSF-5*,³ which was based on the options set out in the new *Operations Manual: Benefit-sharing Fund* (the BSF Operations Manual).⁴ At its fourth meeting, following its consideration of the document *Preparations of the Fifth Cycle of the Benefit-sharing Fund*,⁵ the Funding Committee made a number of recommendations regarding the preparatory process and contents of the BSF-5 program, in order to finalize its preparation at its fifth meeting.
4. The Funding Committee further requested the Secretariat to organize virtual briefings for the Regional Groups to provide an update on the preparations for BSF-5 as well as receive inputs that might assist the Funding Committee in finalising the BSF-5 Program. The Secretariat subsequently conducted 6 regional briefings between 25 January and 3 February 2022. A summary of the inputs received at these briefings will be provided at the meeting.
5. This document has been structured on the basis of the requests made by the Funding Committee at its fourth meeting. Section II provides a brief description of the main novelties and features of BSF-5. The funds available and indicative budget are introduced in section III. The fund allocation options together with project funding ceilings are set out in Section IV. An overview of the timeline and key milestones for the BSF-5 is provided in Section V.
6. The Funding Committee is invited to provide guidance on the preparations to launch BSF-5, as described in the Section VI.

¹ Resolution 3/2019 paragraph 31, Annex 2: Operations Manual: Benefit-sharing Fund available at <http://www.fao.org/3/nb780en/nb780en.pdf>

² Meeting proceedings – Second meeting of the Committee, available at <http://www.fao.org/3/cb2451en/cb2451en.pdf>

³ IT/GB-9/SFC-3/21/5: Options Paper for BSF-5 available at <http://www.fao.org/3/cb3452en/cb3452en.pdf>

⁴ Annex 2 of the Funding Strategy of the International Treaty on Plant Genetic Resources for Food and Agriculture 2020-2025, available at <http://www.fao.org/3/nb780en/nb780en.pdf>

⁵ IT/GB-9/SFC-4/21/6

II. MAIN NOVELTIES AND FEATURES OF BSF-5

7. A summary of the main novelties of BSF-5 is set out below. The BSF-5 program will:
- i. be the first cycle to implement the new BSF Operations Manual and where a fully developed Monitoring, Evaluation and Learning framework will be used;
 - ii. test new options for fund allocation;
 - iii. have a strong focus on knowledge sharing and learning;
 - iv. enhance visibility and communication from local to global levels;
 - v. rely on the enhanced governance provided by the Governing Body, which delegates the authority for BSF Operations during the biennium to the Funding Committee.
8. The main features of the programmatic approach for BSF-5 developed through the BSF Operations Manual include to:
- vi. ensure farmers access to a wide range of seeds adapted to their needs;
 - vii. promote in-situ/on-farm and ex-situ conservation as a continuum;
 - viii. support participatory plant breeding;
 - ix. improve local seed value chains;
 - x. enhance flow of genetic resources and information so that knowledge, information and germplasm generated feeds back into the Treaty global mechanisms;
 - xi. help inform national planning through lessons learned;
 - xii. catalyse partnerships that should be at multiple levels, dynamic and inclusive; and
 - xiii. show how local to global conservation efforts are linked.

III. FUNDS AVAILABLE AND INDICATIVE BUDGET

9. At the third meeting of the Funding Committee, the European Union announced a commitment to contribute a total of 4 million EUR to BSF-5. The funding agreement was subsequently finalized in December 2021. At the time of writing this document, this contribution and others bring the total funds available for BSF-5 to over USD 9 million. This makes BSF-5 the second largest BSF cycle to be implemented so far.

10. An indicative overall budget for BSF-5 is provided in the Table 1 below. A summary of the funds available for BSF-5, by funding source, will be provided during the meeting of the Funding Committee.

Table 1: Indicative BSF-5 budget

	Amounts in USD	%
Grants	7,230,796	78%
Monitoring and Evaluation	628,741	7%
Help Desk and Program Workshops	484,404	5%
Communication and Visibility	235,553	3%
FAO Support Costs (7%) & Technical Support Services	699,711	8%
Total	9,279,205	

11. The Funding Committee is invited to take note of the indicative budget for BSF-5. The Secretariat will update the Funding Committee on any arising budgetary matters they may need to consider, including any additional funding that becomes available for BSF-5.

IV. OPTIONS FOR BSF-5 FUND ALLOCATION AND PROPOSED FUNDING CEILINGS FOR PROJECTS

4.1 Funding ceilings for projects

12. The Annex to this document provides an analysis of the funding ceilings for single country and multi-country projects in the second, third and fourth project cycles of the Benefit-sharing Fund. The analysis shows that the average size for single-country projects is USD 190,000 and for the multi-country projects is USD 500,000.

13. The proposed funding ceilings for BSF-5 projects of a maximum of 4 years are:

- multi-country: maximum: 600.000 USD
- single-country: maximum: 250.000 USD

4.2 General considerations to support the Funding Committee deliberations

14. The Funding Committee will need to decide how to combine the funding allocation options described in section 4.5 of this document. The Annex provides an analysis of the trends of regional distribution of funding from previous cycles and of the trends of funding allocations for single-country and multi-country projects.

15. The Funding Committee may wish to make a number of general considerations that will be applied to any combination of the options described in section 4.5. BSF-5 will:

- fund a project portfolio that will include all targeted Regions. The target would be to maintain the trend of regional distribution of funding from previous cycles.
- fund a project portfolio that includes multi-country and single-country projects. The target would be to maintain the trend for distribution of funding between multi-country and single-country projects from previous cycles.
- consider funding projects in Contracting Parties or groups of Contracting Parties that have never been funded while ensuring technical merit and quality.

4.3 Overview of options for BSF-5 allocation being considered by the Committee

16. At its fourth meeting, the Funding Committee agreed that the following options for the BSF-5 fund allocation, or their combination, should continue to be considered:

- Establish and launch a new round of the project cycle, as needed;
- Decide whether to provide funding to projects that previously received a Certificate of Excellence from the Panel of Experts (B.1) or to a second phase of projects previously funded by the Benefit-sharing Fund (B.2).

17. The Funding Committee requested the Secretariat to provide more information on Option B. It noted that further consideration could be given to funding a second phase of BSF-3 projects and, possibly, BSF-2 projects, while noting that the long period since project closure may make it difficult to reactivate such projects. It requested more information about BSF-4 pre-proposals that had received a Certificate of Excellence, including whether applicants had subsequently identified funding from other sources.

18. The three options being considered by the Funding Committee can be summarised as follows:

- OPTION A (Call for proposals)
- OPTION B.1 (Certificates of Excellence)
- OPTION B.2 (2nd phase of previous BSF projects)

4.4 Description of Options

19. The three options the Funding Committee is considering for BSF-5 are detailed further below. Option A has been used throughout the previous four project cycles of the Benefit-sharing Fund, and therefore only a short description is provided. Further details have been provided for Option B (B.1 and B.2) as they refer to the new modalities available to the Funding Committee for BSF-5.

OPTION A (Call for proposals)

20. Option A enables the establishment and launch of a new round of project cycle through a Call for Proposals as has been used throughout the previous four BSF project cycles.

21. The steps and procedures to launch a Call for Proposals are described in the Operations Manual of the BSF.⁶ The Panel of Experts will undertake the screening of pre-proposals and submit the results to the Funding Committee, for their final consideration and decision-making.

22. A Call for Proposals ensures quality and technical merit through a global competitive but complex process. The Governing Body has simplified the procedure for screening and appraisal of proposals through the new Operations Manual of the BSF, but a global competitive process does have transaction costs for the Secretariat, applicants and the Panel of Experts. It is recommended that sufficient resources are set aside for this option, otherwise the transaction costs are high.

OPTION B1 (Certificates of Excellence)

Rationale

23. During the Fourth Call for Proposals, the Independent Panel of Experts finalized a shortlist of pre-proposals for the Bureau's consideration in deciding which ones to invite for the full proposal phase. At its meeting (May 2018), the Panel noted the high quality of shortlisted pre-proposals. The Panel recommended the Bureau to consider providing a Certificate of Excellence to the shortlisted pre-proposals that did not get funded.

24. The main purpose of the certificates of excellence was to acknowledge the technical merit of the shortlisted pre-proposals and support applicant institutions in applying for funding from other sources.

25. The Secretariat issued a total of 25 Certificates of Excellence for the shortlisted projects that did not receive funding in the Fourth Call for Proposals.

26. At its last meeting, the Funding Committee requested the Secretariat to provide more information about BSF-4 pre-proposals that had received a Certificate of Excellence, including whether applicants had subsequently identified funding from other sources. The Secretariat contacted the institutions that received a Certificate of Excellence asking them to reply to the following questions:

- *Did the proposal get funded by other sources/donors?*
- *If not, is your proposal still relevant and feasible in the context of the targeted country/ies?*
- *Is the applicant institution still in the position to implement the project?*

27. The Secretariat received a total of 15 replies.⁷ Respondents informed that the proposals are still valid, that institutions are in the position to implement the projects and that generally, funding is still needed to implement the full project concept. Some applicants informed the Secretariat that funding had been received to work on some components of the proposals and/or improve methodologies and the enabling environment in which the BSF proposals would eventually be implemented (e.g. continued documentation and research on targeted crops,

⁶ Resolution 3/2019, Annex 2 available at <https://www.fao.org/3/nb780en/nb780en.pdf>

⁷ From the 25 institutions that received a Certificate of Excellence, 6 institutions did not reply and 4 could not be reached.

PGRFA work in the same targeted areas, improved knowledge and skills in the promotion and value chains development, etc.) In addition, some applicants informed the Secretariat that over the past years, they increased their networking and established long-term partnerships among different PGRFA institutions at different levels.

28. Overall, the portfolio of projects with Certificate of Excellence has a good balance between single country and multi-country projects; and all Regions except of South West Pacific are represented. It is worth noting that for the Africa region, 2/3 of the pre-proposals were submitted from countries that never received funding, and all of these countries are from the Francophone Africa. The Independent Evaluation of BSF-3 highlighted that this set of African countries was also absent from the third funding cycle.

29. The provision of Certificates of Excellence to high-quality pre-proposals has now been integrated into Operational Procedures of the Benefit-sharing Fund.⁸ The main objective of this new practice is to help support applicant institutions in searching funding from other sources within the larger context of the Funding Strategy. There is so far very little experience accumulated on the use of the Certificate of Excellence, and on whether and how it may become a practical tool to be used in the context of the updated Funding Strategy and the Benefit-sharing Fund. Further proof of concept would be needed, and using this funding allocation modality with caution is recommended.

Objective

30. To test and learn on how to use and consolidate the practice of providing Certificates of Excellence in the future, BSF-5 would be the first project cycle to use this new option for funding allocation.

31. As a new practice that requires further proof of concept, the Funding Committee may wish to pilot this option by funding a maximum of 4-6 projects that received a Certificate of Excellence.

Procedure

32. Two options could be foreseen:

- Invite all 25 projects that received a certificate of excellence to apply for funding under option B1. Should all concerned institutions apply, around 1 out of 5 pre-proposals would get funded.
- Invite only the 15 respondents to the survey to apply for funding under option B1. In this case, around 1 out of the 3 pre-proposals would get funded.

33. The Secretariat would invite the institutions that received a Certificate of Excellence to update their pre-proposals through a simplified procedure with a view to align it to the new programmatic approach of the BSF. The Panel of Experts will undertake the screening of pre-proposals and submit the results to the Funding Committee, for their final consideration and decision-making.

OPTION B2 (2nd phase BSF projects)

Rationale

34. This option provides an opportunity to scale out or scale up innovations arising from high-performing projects previously funded under the Benefit-sharing Fund, through a second phase. It is recommended that only high-performing projects from BSF-3 are considered. BSF-4 project implementation is ongoing and full results are not yet known. Significant time has passed

⁸ Operations Manual of the Benefit-sharing Fund, para. 34, (c) and (d).

since the implementation of BSF-2 projects.⁹ All project partners of previous BSF cycles, including BSF-2, will be able to apply for funding in future calls for proposals.

35. Previous BSF cycles featured a number of very good performing projects, which combined technical and institutional innovations that benefited PGRFA management by farmers for improved-quality seeds, food and nutrition security and livelihoods strategy in the context of climate change. In addition, these projects contributed to the Treaty's implementation through strengthening institutional partnerships on PGRFA policy engagement, inclusion of PGRFA in the national and local plans, awareness raising and supporting South-South and North-South cooperation amongst Contracting Parties.

36. A number of these innovations showed promising potential for further catalysis and scaling out. In order to leverage the past achievements and further potential of these projects, a second phase funding to qualified projects is being proposed. Past innovations with potentials for further development in BSF 5 could include scaling out the dissemination of varieties developed through Participatory Plant Breeding; strengthening seed commercialisation of well-adapted varieties; integrating resultant innovative approaches to PGRFA management into national planning; knowledge management and communications of successful projects. Testing successful innovations in other countries of the Region or for other crops not previously targeted also has potential for success.

37. Supporting a second-phase of projects through BSF-5 would also create an incentive for executing partners in current and future BSF cycles to deliver with even higher quality performance.

Objective

38. Support a second-phase of projects with demonstrated track-record to enable the BSF to further invest in advancing promising innovations that were achieved from the previous cycles (BSF-3) and which are of strategic importance to the BSF new priorities and Results Framework.

39. As a new project modality available to the Funding Committee to pilot under BSF-5, sufficient resources will need to be available to fully test and maximise the benefits of this option. A minimum 4 projects for implementation over 3-4 years is suggested. Preference will be given to projects that in its second-phase are multi-country and to having a range of regions represented under this funding option.

Procedure

40. The Secretariat will develop a short analysis with a matrix based on the information arising from the BSF-3 monitoring, including project performance reports, and the BSF-3 independent evaluation.

41. The Panel of Experts will review the analysis and identify a limited set of partners to be invited to prepare a second-phase which will be aligned to the new programmatic approach of the BSF. The Panel of Experts would undertake the screening of pre-proposals and submit the results to the Funding Committee, for its final consideration and decision-making.

4.5 Scenarios for funding allocation

30. At its fourth meeting, the Funding Committee requested the Secretariat to develop a proposal on how the funding allocation options described above may be combined in practice.

31. Given the analysis above and considering the funding currently available for grants, an initial proposal to combine them in practice is to allocate 50% to option A (Call for Proposals) and 50% to Option B (Certificates of Excellence and 2nd phase projects), with more funding dedicated to 2nd phase projects than to Certificates of Excellence, as follows:

⁹ BSF-2 projects ended throughout 2014-2015.

Scenario 1:

Option A – Call for Proposals (50%): 3,615,000 USD

Option B (50%): 3,615,000 USD

- B1- Certificates of Excellence (20%): 1,446,000 USD
- B2 – 2nd phase projects (30%): 2,169,000 USD

42. Two additional scenarios adapted from Scenario 1 are given below. They provide either more funding to a Call for Proposals or to Certificates of Excellence compared to Scenario 1.

Scenario 2:

Option A – Call for Proposals (50%): 3,615,000 USD

Option B (50%): 3,615,000 USD

- B1- Certificates of Excellence (25%): 1,807,500 USD
- B2 – 2nd phase projects (25%): 1,807,500 USD

Scenario 3:

Option A – Call for Proposals (60%): 4,338,000 USD

Option B (40%): 2,892,000 USD

- B1- Certificates of Excellence (15%): 1,084,500 USD
- B2 – 2nd phase projects (25%): 1,807,500 USD

43. If further resources are mobilized for BSF-5, these could be allocated to supporting the Call for Proposals or a second phase of projects.

V. OVERVIEW OF TIMELINE AND KEY MILESTONES

Overview of process

44. The Operational Procedures provide that the preparations for launching a new call for funding will be undertaken by the Secretariat with the guidance of the Committee. Based on the decisions made by the Committee at this meeting regarding budget, funding allocation and funding ceilings, the Secretariat will prepare the short BSF-5 Funding Cycle document that would be used in communications to applicants, National Focal Points and relevant regional and international bodies launching the fifth funding cycle.

45. In doing so, the Secretariat will use text already agreed by the Governing Body in adopting the new Funding Strategy and by the Committee when it finalized the MEL Framework. The program will also contain practical information for applicants that would be similar to that contained in previous calls for proposals. The document, IT/GB-9/SFC-5/22/Inf.4 *The Fifth Cycle of the Benefit-Sharing Fund: Building Blocks*, contains elements of the text that the Secretariat could use in preparing such document. At this stage, the Committee is not requested to provide detailed comments on the text, but any general advice or request for clarifications would be welcomed.

46. There will be a number of Appendices to be provided with the BSF-5 Funding Cycle document, including:

- list of countries eligible to apply for support under the Benefit-sharing Fund;¹⁰
- list of national focal points and permanent representatives to FAO of eligible Contracting Parties;
- submission form for pre-proposals and guidelines for submission;

¹⁰ At its Seventh Session, the Governing Body decided that, regarding the level of national economic development, the eligibility criteria for the use of funds under the direct control of the Governing Body will include only criteria established in the International Treaty. Resolution 3/2017, para. 18.

- criteria for screening and appraisal of project proposals.¹¹

These Appendices will be based on those prepared for previous project cycles of the BSF.

47. Once the package of documents for the BSF-5 Funding Cycle are ready, the Secretariat will present it to the Funding Committee Members at a virtual check-point. Members of the Funding Committee will have a period of two weeks to provide any feedback, as needed. The Secretariat will then finalize the program taking into account any relevant inputs provided and in doing so, it will liaise with the Co-Chairs of the Funding Committee. The documentation will be translated in parallel and relevant communication materials will also be prepared in this period.

48. An overview of key milestones for the launch and implementation of the BSF-5 is provided below. The Secretariat proposes to launch the fifth cycle of the Benefit-sharing Fund on 22 May 2022, which is the International Day of Biodiversity.

49. The Bureau is in the process of reconvening the Independent Panel of Experts and would need some more time to finalize this process.

Indicative timeline

50. The indicative timeline for the launch and implementation of the BSF-5 Funding Cycle:

1. *Launch of BSF-5*

Finalization of the package of documents for BSF-5 Funding Cycle as outlined in the paragraphs above. Translation of documents, preparation of official notifications and development of communication and outreach materials for launch.

Proposed date for launch of BSF-5: 22 May 2022 (International Day of Biodiversity).

2. *Pre-proposal phase*

Submission of pre-proposals, through National Focal Points, Permanent Representatives or other official channels to FAO, received by the Secretariat. Pre-proposals screened by Panel of Experts and approval, by the Funding Committee, of the pre-proposals that would develop a project proposal.

Period: 2022 (3rd quarter)

3. *Full program development and project design*

Helpdesk workshops organized and delivered by the Secretariat to support applicants in the development of full proposals. Submission of full project proposals, through National Focal Points or Permanent Representatives to FAO. Final review of project proposals by Panel.

Period: 2022 (4th quarter)

4. *Execution of projects and program implementation*

Signature and execution of project agreements and implementation of the MEL Framework.

Period: 2023 – 2026

¹¹ BSF Operations Manual, para. 35: 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 2/2013 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 and will give consideration to the United Nations' Sustainable Development Goals.

5. *Independent evaluation*

Period: 2026 (3rd – 4th quarters)

51. The Committee is invited to provide guidance regarding the process for preparation of the launch of the BSF-5 cycle and the timeline for its implementation.

VI. GUIDANCE SOUGHT

52. The Funding Committee is invited to consider the information and suggestions contained in this document and provide guidance on the preparations to launch the BSF-5 Funding Cycle.

53. The Funding Committee may wish to:

- i. Take note of the indicative budget as provided in paragraph 10;
- ii. Recommend funding ceilings as indicated in paragraph 13;
- iii. Make a number of general considerations as described in paragraph 15;
- iv. Further consider Option B for fund allocation (Certificate of Excellence and funding of 2nd phase projects) and how to combine these with a call for proposals;
- v. Decide on a proposal on how to combine the different fund allocation options, taking into account the proposals in scenarios in section 4.5;
- vi. Make recommendations regarding the overview of process and timeline contained in section V.

OVERVIEW OF FUNDING ALLOCATIONS AND REGIONAL DISTRIBUTION OF PROJECTS DURING 3 LAST PROJECT CYCLES (2012-2019)

The analysis below refers to the funding allocations and distribution of projects funded in the second, third and fourth project cycles of the Benefit-sharing Fund.

In terms of the size of funded projects, the analysis took into consideration the ceilings established in each Call for Proposals for single country and multi-country projects. The analysis shows that the average size for single country projects is **USD 190,000** and for the **multi-country projects is USD 500,000**.

BSF-2/3/4	MIN (USD)	MAX (USD)	Average (USD)
Size USD single-country (average 3 cycles)	100,000	280,000	190,000
Size USD multi-country (average 3 cycles)	450,000	550,000	500,000

In terms of funding allocation between multi-country versus single country projects, the analysis shows that 55.5% of total funding was allocated to multi-country projects and 44.5 % to single country projects. This reflects the difference in the overall size of the two types of projects.

BSF 2/3/4	# of projects	% of total funded	% of total funds
Single country	43	61	44.5
Multi-country	27	39	55.5
Total	70	100	100

The analysis below shows the regional distribution of funding throughout the three cycles along with information on regional distribution of Contracting Parties that are eligible to apply for funding under BSF. It is worth noting that throughout the different Calls for Proposals, not all the eligible Contracting Parties submitted pre-proposals.

Region	# of projects	% of total projects funded	% of total funding	Regional representation of eligible Contracting Parties as of 2019 ¹²
Africa	21	30	32	37%
Asia	16	23	22	15%
NE	11	16	17	13%
LAC	15	21	22	17%
SWP	4	6	5	9%
ERG	3	4	3	9%
Totals	70	100	100	100

The regional distribution of eligible Contracting Parties, along with the regional distribution of eligible pre-proposals received in each cycle, coupled with the overall funding available and funding allocations between multi-country/single-country projects, was at the basis for the

¹² These % vary from the CFP 3 due the increase in the number of Contracting Parties since 2014.

development of the Methodology for screening and appraisal of project proposals that supported the work of the Independent Panel of experts in BSF-3 and BSF-4.