



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



The International Treaty
ON PLANT GENETIC RESOURCES
FOR FOOD AND AGRICULTURE

Item 9.1 of the Provisional Agenda

EIGHTH SESSION OF THE GOVERNING BODY

Rome, 11 – 16 November 2019

Report on the Implementation of the Funding Strategy

Executive Summary

This document contains the report on the efforts made to implement the Funding Strategy of the International Treaty and the progress achieved during the biennium. It highlights the developments and issues arising from the process of updating the Funding Strategy in the last biennium, including those related to information from the extensive data gathering and analysis undertaken. It summarises the relevant aspects of the preparations for and the support provided to the work of the Ad Hoc Advisory Committee on the Funding Strategy and Resource Mobilization. The report of the Committee is contained in the document, IT/GB-8/19/9.2, *Report of the Ad Hoc Advisory Committee on the Funding Strategy and Resource Mobilization*.

This document also provides information on other initiatives, partnerships and collaboration, and on related discussions in other relevant fora and processes. Furthermore, it provides a brief update on the progress made in the implementation of the project cycle of the Benefit-sharing Fund during the biennium.

Guidance Sought

The Governing Body is invited to take note of the information provided in this document, on activities undertaken and relevant developments related the Funding Strategy of the International Treaty during the biennium, and to provide further guidance on the implementation of the Funding Strategy, taking into account the elements for a possible Resolution contained in the Appendix to this document.

*This document can be accessed using the Quick Response Code on this page;
an FAO initiative to minimize its environmental impact and promote greener
communications.*

Other documents can be consulted at <http://www.fao.org/plant-treaty/meetings/meetings-detail/en/c/1111365>



na902

I. INTRODUCTION

1. Pursuant to Article 18 of the International Treaty, Contracting Parties undertake to implement a funding strategy for the implementation of the Treaty. The objective of this strategy is to enhance the availability, transparency, efficiency and effectiveness of the provision of financial resources to implement activities under the Treaty. In order to mobilize funding for priority activities, plans and programmes, the Governing Body shall periodically establish a target for such funding.

2. At its Seventh Session, through Resolution 3/2017, the Governing Body decided to update the Funding Strategy of the International Treaty with a view to adopt a dynamic and synergistic programmatic approach and to establish the targets for the overall Funding Strategy and for the Benefit-sharing Fund.

3. This document contains highlights of developments and issues arising from the process of updating the Funding Strategy in the last biennium, including those related to information from the extensive data gathering and analysis undertaken on funding tools and flows, as well as an update on the progress made in the implementation of the project cycle of the Benefit-sharing Fund. It also contains elements for a possible Resolution for the consideration of the Governing Body.

4. *The Report of the Ad Hoc Advisory Committee on the Funding Strategy and Resource Mobilization* (IT/GB-8/19/9.2) details the work undertaken during the biennium to update the Funding Strategy and contains the draft updated Funding Strategy and its annexes. It also contains draft Terms of Reference for the proposed Standing Committee on the Funding Strategy and Resource Mobilization, the further developed Matrix of Funding Tools and the draft Resolution concerning the operationalization of the new Funding Strategy.

5. The detailed report on the Benefit-sharing Fund is contained in the document, IT/GB-8/19/9.1/Inf.1, *The Benefit-sharing Fund: 2018-2019 Report*, and provides the analysis of the implementation of its project cycle during the biennium.

6. Other documents of relevance to the implementation of the Funding Strategy include IT/GB-8/19/15.2/2, *Report of the Global Crop Diversity Trust to the Governing Body* and, IT/GB-8/19/15.3, *Report on Cooperation with the Convention on Biological Diversity*. The latter includes elements of possible advice from the Governing Body on the next replenishment of funds of the Global Environment Facility, in response to the invitation by the Conference of Parties to the Convention on Biological Diversity.

II. IMPLEMENTATION OF THE FUNDING STRATEGY: HIGHLIGHTS ARISING FROM THE UPDATING OF THE FUNDING STRATEGY PROCESS

7. To inform the process of updating the Funding Strategy, data was gathered and analysed from a wide range of sources through surveys, interviews and studies, which provided new and important information about the funding landscape in relation to Treaty implementation, and has enhanced cooperation with key enabling partners and funding tools of the International Treaty.

8. Much of this information was collected through the process of further developing the *Matrix of Funding Tools and the Areas and Programmes under the Treaty*, contained in the draft outline of the Funding Strategy. The Matrix makes the link between different funding tools¹ and the areas and

¹ Funding tools include: tools not under the guidance and/or direct control of the Governing Body, such as national and bilateral sources; other international mechanisms, funds and bodies such as FAO, CGIAR World Bank, GEF, GCF and IFAD; funding mechanisms for which the Governing Body provides policy guidance such as the Global Crop Diversity

programmes under the Treaty.² The *Report on Progress: Matrix of Funding Tools* contains the full analysis of data collected and can be found at: <http://www.fao.org/3/ca4470en/ca4470en.pdf>.

9. This section summarises the highlights arising through the process of further developing the Matrix.

Highlights from the updating of the Funding Strategy

Global investments in areas under the Treaty

12 - 14 US\$ billion per year invested in areas under the Treaty. Of this, an estimated:

35% (4.2-4.6 billion per year) from national-level funding by public entities;

22% (2.4-3.0 billion per year) from bilateral flow – aid assistance;

13% (1.4-1.8 billion per year) from multilateral organizations;

31% (3.8-4.2 billion per year) from private sector.

National budgets for PGRFA

Twenty-five Contracting Parties³ of the Treaty from six Regions responded to a request to provide information on bilateral programmes that are supporting the implementation of the International Treaty, as well as on financial resources for national activities for the conservation and sustainable use of PGRFA. A submission was also received from the European Seed Association in response to the request for information.

Preliminary analyses show that most domestic spending concentrates on plant breeding as well as *ex situ* conservation.

Contracting Parties also reported innovative ways that they are exploring to finance PGRFA activities. For instance, a new agrobiodiversity law in Ecuador is being developed and will create a national fund for agrobiodiversity, seeds and sustainable agriculture, with a view of collecting 1% of the agricultural GDP.

Bilateral funding

An example of the importance of bilateral funding was provided in the submission of the United States of America (see below). Other countries also started to report on their bilateral programmes of relevance to Treaty implementation.

In 2018, USAID awarded \$47 million towards collaborative research on crops to advance food security goals through the sustainable use of plant genetic resources for food and agriculture. This includes collaborative research efforts between developing country national government researchers, the

Trust; and, funds that are under the control or guidance of the Governing Body, such as the Benefit-sharing Fund and Fund for Agreed purposes.

² PGRFA Conservation & Sustainable Use (Ex situ, in situ, on-farm management, sustainable use & breeding) and Treaty Enabling Mechanisms & Provisions (Technology transfer, Information systems, Capacity building, MLS, GLIS, Farmers' Rights, policy development).

³ Afghanistan, Bangladesh, Burkina Faso, Central African Republic, Ecuador, Estonia, Eswatini, Ethiopia, Germany, Japan, Kenya, Mali, Namibia, Norway, Pakistan, Papua New Guinea, Philippines, Spain, Sweden, Switzerland, Syria, Togo, United Kingdom, United States of America and Zambia.

international agricultural research centres of the CGIAR and the World Vegetable Center, and U.S. university-based researchers and plant breeders.

Multilateral organizations – Climate Finance highlights

A key shift in the funding landscape is the rise of international climate finance, which has grown enormously and is predicted to increase further in the coming decades. In 2000, climate finance was estimated to provide \$560m to developing countries. By 2016, this had grown to almost \$20bn or a 40-fold increase, and is expected to increase to \$100bn by 2020.

Food security, PGRFA, climate smart agriculture, local farmers and gene banks are widely recognized as important issues and stakeholders and, as such, climate finance represents an increasing important opportunity for the Funding Strategy and the International Treaty.

The most relevant climate finance for the International Treaty and its Funding Strategy include that available through the Global Environmental Facility (GEF), the Green Climate Fund (GCF), World Bank and the International Finance Corporation (IFC), the International Fund for Agricultural Development (IFAD) and bilateral funding and assistance.

Countries successful in accessing climate finance have received funding for priorities identified in national strategies and plans, presenting an opportunity to better connect PGRFA activities to wider national and international priorities, for potentially increasing funding to Treaty areas.

Private sector

The current private sector investment in R&D for plant genetics is estimated to be around \$US 4 billion.

New tools for monitoring and review

AIDmonitor is a newly developed FAO tool that gathers information on Official Development Assistance. This FAO tool has the potential to support the future development and monitoring of the Funding Strategy through enabling unique analysis and reports on specific sectors, geographical areas or resource partners.

The Organisation for Economic Co-operation and Development (OECD) recently updated its ‘Biodiversity marker’, which can be used to refine search results of potential Treaty relevance. Its eligibility criteria include the conservation and enhancement of genetic resources (*in situ* or *ex situ*). Since May 2018 the biodiversity marker also includes “maintenance of genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species”.

Other tools may generate useful information such as the International Aid Transparency Initiative (IATI), which allows the comparison of data from different sources. The growth of IATI has increased the availability of open aid data to over 800 bilateral, multilateral, non-government and private sector development partners who are now publishing data to the IATI standard.

New and collaborative partnerships

A number of new and collaborative partnerships have been forged through the process of updating the Funding Strategy that are expected to be further strengthened in the implementation, monitoring and review of the new Funding Strategy. These include collaboration within FAO for joint-planning,

resource mobilization, monitoring and reporting, with international partners such as the United Nations Environment Programme and Bioversity International, to pursue climate funding opportunities through GEF and the International Climate Initiative (IKI), with the OECD for monitoring funding flows, and with philanthropic organizations such as the Alliance for the Future of Food for co-planning and leveraging funding.

10. The updated Funding Strategy places emphasis on processes for monitoring, evaluating and learning, and for identifying and filling in gaps, which are integrated in Section V, and reflected in the draft Terms of Reference for the proposed Standing Committee on the Funding Strategy and Resource Mobilization. Such monitoring processes will rely upon continued cooperation with others, including FAO and the OECD. Periodic overviews of finance flows to areas of Treaty implementation and regular reports on the implementation of the Funding Strategy will be made available to the Governing Body in the future.

11. At its tenth meeting, the *Ad Hoc* Advisory Committee on the Funding Strategy and Resource Mobilization requested the Secretary to explore the possibility of undertaking an analysis on a “Cost of Inaction” that could be used in future communication and awareness-raising related to the Treaty’s Funding Strategy. The Secretary, the Global Crop Diversity Trust and the International Food Policy Research Institute co-organized a scientific meeting to explore which methodologies could be used, building on previous research, to describe and quantify the global consequences of inaction at the multilateral level, ensuring the conservation and access to crop genetic diversity across the world. As a next step, the three institutions and Bioversity International will develop a concept note and project outline to discuss with potential donors.

III. IMPLEMENTATION OF THE FUNDING STRATEGY: RESOURCES UNDER THE DIRECT CONTROL OF THE GOVERNING BODY

12. This section provides a summary of the operations of the Benefit-sharing Fund since the last session of the Governing Body. Detailed information on the main developments and relevant processes that occurred during the biennium are provided in the document, *Report on the Benefit-sharing Fund: 2018-2019*.⁴ The following paragraphs provide a snapshot of the main processes and achievements occurred in relation to the BSF operations.

FOURTH CALL FOR PROPOSALS OF THE BENEFIT-SHARING FUND

13. The Bureau of the Eighth Session of the Governing Body provided advice and guidance in relation to the implementation of the Benefit-sharing Fund throughout the biennium. It made a number of decisions regarding the design and launch of the Fourth Call for Proposals (CFP-4), the methodology for the screening of project proposals by the Independent Panel of Experts as well as on the approval of the portfolio of projects to be funded.

14. The CFP-4 reflects the inputs provided to the Bureau by the Co-Chairs of the Funding Strategy Committee, including a recommendation to use the fourth funding cycle as a bridge into a programmatic approach developed in the review of the Funding Strategy.

15. The Fourth Call for proposals was launched on 15 December 2017 through the publication of the Call on the website of the International Treaty, official notifications and dissemination through Treaty stakeholders and partners. The submission of project pre-proposals for the CFP-4 concluded on 1 March 2018. On 18 July 2019, based on the outcomes of the work done by the Independent Panel of

⁴ IT/GB-8/19/9/Inf.1

Experts, the Bureau of the Eighth Session of the Governing Body approved a portfolio of 20 new projects for funding.

16. Following the approval of the portfolio of projects by the Bureau, the Secretariat organized a one-week Helpdesk Workshop, from 22 to 26 October 2018, to support the 20 successful applicants in the further development of their full project proposals.

17. During the Helpdesk Workshop, all the partners worked together following a programmatic approach to refine their full project proposals, and establish linkages between selected projects and across regions in line with the CFP-4 programme.⁵

18. The Secretariat has been following up on the lessons learnt and the concepts that emerged during the workshop, including through the establishment of a BSF platform for communication and interaction. The aim of the platform is to bring together all the BSF partners as a community, to build synergies and complementarities between BSF funded projects, enable the exchange of knowledge and lessons learnt in implementation of BSF and share innovative solutions to common challenges.⁶

19. The Secretariat is currently working towards the finalization of project agreements (Letters of Agreement) with the executing institutions of the CFP-4 projects. At the time of preparation of this document, 60 % of the approved projects are operational.⁷

Resource mobilization

20. The Funding Strategy Committee made a number of recommendations which have been taken forward by the Secretary including:

- a. Issuing a certificate of excellence for the high quality short-listed proposals that could not be funded in order to help applicants source funding from other donors;
- b. Liaising with relevant partners, including FAO and the European Commission to explore how they might be able to support the Fourth Call for Proposals;
- c. Exploring the notion of the “cost of inaction” as a possible tool for communication for policy-makers and donors;
- d. Continuing to seek means of collaboration within FAO, such as the development and implementation of its climate finance projects, and its activities within GCF, the GEF and any other relevant activities.

21. In approving the projects to be funded under CFP-4, the Bureau acknowledged the very useful suggestion of the Panel of Experts to issue a certificate of excellence to the projects that were short-listed but not selected for funding, as to help applicants to source for funding from other donors.

22. The following Contracting Parties contributed to the BSF during the biennium: Canada, European Commission, Italy, Norway, Sweden and Switzerland.

23. The first user-based income to the Benefit-sharing Fund arising from the use of the Standard Material Transfer Agreement (SMTA) of the Multilateral System on Access and Benefit-sharing was received in June 2018. Nunhems Netherlands by then a subsidiary company of Bayer (now a subsidiary of BASF), paid USD 119 083 to the International Treaty’s Benefit-sharing Fund. This amount was equal to 0.77% of seed sales of ten varieties of vegetables commercialized using

⁵ A press release on the workshop has been published on the Treaty web site at: <http://www.fao.org/plant-treaty/news/news-detail/en/c/1162875/>

⁶ The Report of the workshop is available at: <http://www.fao.org/3/CA2859EN/ca2859en.pdf>

⁷ Contracts with the service providers have been signed and disbursements processed to enable the inception of project implementation.

germplasm made available by the Centre for Genetic Resources of the Netherlands (CGN) and the Leibniz Institute of Plant Genetics and Crop Plant Research (IPK) of Germany through the SMTA.⁸

24. During the biennium, the French seed sector, *Groupeement National Interprofessionnel des Semences et Plantes* (GNIS), made regular annual voluntary contributions to the Benefit-sharing Fund. GNIS is the first private sector institution that has decided to make contributions on an annual basis to the Benefit-sharing Fund.

THIRD CALL FOR PROPOSALS OF THE BENEFIT-SHARING FUND

Implementation of Third Call for Proposals (CFP-3) portfolio

25. The CFP-3 project portfolio consists of 20 projects⁹ that are being implemented in 45 developing countries across Africa, Asia, Europe, the Near East, South West Pacific, and Latin America and the Caribbean. The scope of the funded projects remains similar to those supported in previous calls, focusing on addressing food insecurity and climate change through the management of crop genetic diversity, conservation, reintroduction and improvement of genetic diversity.

26. At the time of the preparation of this document, 95 % of projects have been in their implementation phase for more than 2.5 years, and since the last session of the Governing Body, the secretariat has received, reviewed and approved 43 progress reports and 42 financial reports.

27. According to the information provided in the *Reporting and Monitoring* tools available to the Secretariat,¹⁰ the following results have been achieved so far by the CFP-3 partners:

- **81,540 people**, of which **23,610 women** have **directly benefited** from the projects funded. These include farmers, researchers, breeders, genebank curators, governmental officials, students and professors.
- Additional **346,728 people** are expected to gain **indirect benefits** from the scaling up and out of the outcomes of CFP-3 projects;
- **58 Research Institutes** and **26 universities**, have been working with **130 farmers organizations** to identify crop diversity of potential interest and develop climate smart varieties;
- **5,500 students** (MSc and PhD) are gaining knowledge in participatory methods of plant breeding and are benefiting from practical application of genomics, phenotyping and use of molecular techniques;
- **266 partners** have collaborated in the execution of CFP-3 projects' activities;
- **2750 accessions** of crops have been **repatriated** from regional and international gene banks and **re-introduced** in different agro-ecosystems;

⁸ www.fao.org/plant-treaty/news/news-detail/en/c/1143273/

⁹ The original number of the approved projects was 22. To date, two LoAs have not been signed due to a series of bureaucratic and legal impediments in the countries where the projects were to be executed (Costa Rica and Cuba).

¹⁰ The *Reporting and Monitoring* tools developed by the Secretariat include Periodic Progress and Financial Reports to be submitted by the BSF executing institutions, Monitoring questionnaires, Risk assessment matrix, Logical Frameworks and various updates.

- **7380 accessions of** plant genetic resources of target crops have been **evaluated** in farmers' fields or at research stations for adaptability;
- **633 accessions of plant genetic resources** have been identified to **exhibit novel and useful traits** to be incorporated in further breeding and research;
- **4392** plant genetic materials of targeted crops have been subject to **molecular characterization** in research institutes to identify traits of potential value using **KASP genotyping, SNP markers, DNA** extraction and **FIGS** approach;
- **90 %** of projects are undertaking activities for crop improvement and more than **160 new climate smart varieties** have been developed;
- **South-South and North-South** collaboration between research institutes have been established, mainly for transfer of technologies and know-how on genotyping, marker assisted selection system and modern breeding techniques;
- At least **7000 accessions** of the targeted crops is planned to be **included** in the **Multilateral System of Access and Benefit-sharing**;
- **50,000** people have received **training and capacity building** on the value of agro-biodiversity, on-farm conservation, modern techniques for the study of genetic diversity and the importance of value added information on PGRFA;
- **60 community seedbanks** have been established and 16 more are under construction;
- **162 Farmer Field Schools** have been established as learning platforms for farmers to acquire knowledge and skills through direct, participatory practices;

28. The implementation of the CFP-3 portfolio ends in December 2019. The Secretariat has already started planning the independent evaluation of the CFP-3 with the FAO's Office of Evaluation.

High Level Donor Field Missions

29. Since the last session of the Governing Body, the Secretariat organized, in collaboration with various BSF donors, a few high-level field missions to selected BSF project sites.

30. In coordination with the Government of Norway, the Secretariat organized a high-level field visit to BSF project sites in Malawi. The visit took place from 3 to 8 March 2018 and involved the Minister of State for Agriculture and Food of Norway, national focal points, staff from the Norwegian Embassy in Malawi, BSF partners and beneficiaries, local press and FAO-Malawi staff.¹¹

31. The main purpose of this visit was to meet with relevant CFP-3 stakeholders, including beneficiaries, partners, and donor agencies and to assess, first-hand, the practical impact of the BSF in farmers' fields. The program included visibility and awareness-raising opportunities, media engagement, interviews, and discussions with policy-makers, community leaders, farmers, researchers and others.

32. At the request of European Union, the Secretariat organized a mission to BSF project sites in Kenya and Tanzania. The main objective of the mission was to become more acquainted with the overall intervention logic of EU Action, including meeting project beneficiaries, assess impact and meet relevant Treaty stakeholders. Awareness raising about the EU Action as well as visibility and communication of results produced by BSF projects was also one of the objectives of the mission.¹²

¹¹ More available information at : <http://www.fao.org/plant-treaty/news/news-detail/en/c/1107421/>

¹² More information available at <http://www.fao.org/plant-treaty/news/news-detail/en/c/1136222/>

33. Additional field missions to project sites in Uganda, Zimbabwe and Guatemala were undertaken by the Treaty Secretariat, as part of broader Treaty missions and attendance to international meetings.

APPENDIX 1:**DRAFT RESOLUTION ***/2019****IMPLEMENTATION OF THE FUNDING STRATEGY OF THE INTERNATIONAL TREATY****THE GOVERNING BODY,**

- 1) **Thanks** the Contracting Parties, international mechanisms, funds, bodies, and other international organizations for providing information to the Secretary that assisted the *Ad Hoc* Committee on the Funding Strategy in the updating of the Funding Strategy;
- 2) **Thanks** the Bureau of the Eighth Session of the Governing Body for providing guidance to the operations of the Benefit-sharing Fund during the biennium and in particular for granting the Certificates of Excellence to the shortlisted applicants of the Fourth Call for Proposals of the Benefit-sharing Fund to support their resources mobilization efforts;
- 3) **Welcomes** the financial contributions of Italy, Norway, Sweden and Switzerland during the biennium 2018-2019 to the Fund for Agreed Purposes of the International Treaty and other funds under the direct control of the Governing Body;
- 4) **Welcomes** the payment of the first user-based income from the Multilateral System on Access and Benefit-sharing to the Benefit-sharing Fund;
- 5) **Acknowledges** the generous commitment made by the French Seed Sector in 2017 to contribute the sum of € 175 000 annually to the International Plant Treaty's Benefit-Sharing Fund, and **thanks** *Groupement National Interprofessionnel des Semences et Plantes* (GNIS) for facilitating the payment of this annual voluntary contribution during the biennium, and **appeals** to other stakeholders and relevant actors in the private sector, especially the seed and the food processing industries, to make further voluntary contributions on an multi-annual basis;
- 6) **Recalling** that the Funding Strategy Committee requested the Secretary explore the possibility of undertaking an analysis on a "Cost of Inaction" that could be used in future communication and awareness-raising related to the Treaty's Funding Strategy, **thanks** the Secretary, the Global Crop Diversity Trust and the International Food Policy Research Institute for having co-organized a scientific meeting to explore which methodologies could be used, building on previous research, to describe and quantify the global consequences of inaction at the multilateral level, ensuring the conservation and access to crop genetic diversity across the world, and **requests** the Secretary to make available the outcomes of the scientific meeting to the Funding Committee.
- 7) **Emphasizes** the importance of continuing the work on resource mobilization, communication, promotion and the International Treaty's branding and media presence to enhance funding for, and the visibility of the Benefit-sharing Fund and the Fund for Agreed Purposes of the International Treaty in particular, and for the Funding Strategy;
- 8) **Stresses** the importance of communicating the results of the on-going projects under the third project cycle and the expected results of the fourth project cycle within the framework of the broader communication strategy of the International Treaty;
- 9) **Requests** the Secretary to develop a communication toolkit for the Benefit-sharing Fund to support BSF partners in effectively communicating the results and achievements arising from BSF projects and become champions of the Treaty globally;
- 10) **Welcomes** the establishment of the Benefit-sharing Fund platform for communication and knowledge sharing that brings together all partners involved in the Fund and **emphasizes** the importance of partners building linkages between different funding sources and exploring collaborative planning and co-spending opportunities;
- 11) **Welcomes** the preparations for the Independent Evaluation of the Third Project Cycle projects in accordance with the Operational Procedures of the Fund.