



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



The International Treaty
**ON PLANT GENETIC RESOURCES
FOR FOOD AND AGRICULTURE**

Item 10 of the Provisional Agenda

NINTH SESSION OF THE GOVERNING BODY

New Delhi, India, 19–24 September 2022

Report of the Standing Committee on the Funding Strategy and Resource Mobilization to the Ninth Session of the Governing Body

Note by the Secretary

This document contains the Report of the Standing Committee on the Funding Strategy and Resource Mobilization (the Funding Committee) to the Ninth Session of the Governing Body. It describes the work undertaken by the Funding Committee since the adoption of the Funding Strategy 2020–2025 at the Eighth Session of the Governing Body, and contains a draft Resolution for the consideration of the Governing Body.

Guidance Sought

The Governing Body is invited to welcome the Report of the Funding Committee, and to adopt a Resolution in order to provide guidance on the further implementation of the Funding Strategy.

I. INTRODUCTION

Background

1. At its Eighth Session, through Resolution 3/2019, the Governing Body decided to adopt the Funding Strategy of the International Treaty for the period 2020 to 2025, as contained in Annex 1 to Resolution 3/2019, in order to enhance the availability, transparency, efficiency and effectiveness of the provision of financial resources to implement activities under this Treaty.
2. It decided to establish, within the Funding Strategy, a target of USD 0.9-1.1 billion per year over a period of 10 years with a milestone of 40 percent to be achieved by 2026 to support the implementation of the International Treaty through a wide range of sources and channels, and to postpone establishing a target for the Benefit-sharing Fund.
3. It also decided to make the Committee on the Funding Strategy and Resource Mobilization a standing Committee.

Report structure

4. This report details the work undertaken by the Standing Committee on the Funding Strategy and Resource Mobilization (the Funding Committee or Committee) since the Eighth Session of the Governing Body (GB-8), in relation to the implementation of the Funding Strategy 2020–2025.
5. It is structured in three sections, and contains a draft Resolution in the Annex. The draft Resolution further contains, in its Appendix, a draft Food Processing Industry Engagement Strategy prepared by the Funding Committee for the consideration of the Governing Body.
6. Information documents related to this Report are provided to the Governing Body through IT/GB-9/22/10/Inf.2, *Benefit-sharing Fund: 2020–21 Report* and IT/GB-9/22/10/Inf.1, *Report on the Evaluation of the Third Project Cycle of the Benefit-sharing Fund*.

Overview of procedural arrangements

7. The Funding Committee has held five meetings since GB-8, all of which were conducted in virtual modality due to the COVID-19 pandemic. The Committee also carried out other aspects of its work through electronic means during this period. The Proceedings of the meetings are published on the Treaty's website.¹
8. There were several changes to the Co-Chairs of the Funding Committee over the course of the biennium. The present Co-Chairs elected to serve on the Committee are Ms. Katlyn Scholl (USA) and Mr. Eric Bentsil Quaye (Ghana), while Ms. Puji Lestari (Indonesia) served as interim Co-Chair for the fourth meeting of the Committee.
9. In accordance with Resolution 3/2019, the Funding Committee is composed of up to three representatives from each region. However, the Committee noted, with concern, the absence or low participation of some regions in its meetings and discussed the importance of Regional Groups considering expertise and availability in nominating members to the Committee.
10. A wide range of observers, including active observers, participated in the meetings of the Funding Committee on the basis of expertise and relevance. The full lists of participants are contained in the Appendices of the Proceedings of the Funding Committee's meetings.¹

Highlights of progress in the work of the Funding Committee

11. Considerable progress has been made in the implementation of the Treaty's new Funding Strategy, notwithstanding that the work of the Funding Committee has taken place entirely within the

¹ SFC-1 Meeting Proceedings (July - 24 July 2020): <https://www.fao.org/3/cb0995en/cb0995en.pdf>

SFC-2 Meeting Proceedings (17 - 19 November 2020): <https://www.fao.org/3/cb2451en/cb2451en.pdf>

SFC-3 Meeting Proceedings (23 - 26 February 2021): <https://www.fao.org/3/cb4090en/cb4090en.pdf>

SFC-4 Meeting Proceedings (20 - 22 September 2021): <https://www.fao.org/3/cb7281en/cb7281en.pdf>

SFC-5 Meeting Proceedings (15 - 17 February 2022): <http://www.fao.org/3/cb9206en/cb9206en.pdf>

context of the COVID-19 pandemic. Some highlights of the Committee's work are listed below and further detailed in Section II:

- i. **Operational Plan for the Funding Strategy developed and implemented** by the Funding Committee to take forward its work related to Resource Mobilization, Benefit-sharing Fund Operations and Monitoring, Review and Learning for the 2020–2025 period;
- ii. **Draft Food Processing Industry Engagement Strategy developed** for the Governing Body's consideration, with inputs from FAO, external experts and other stakeholders;
- iii. **Food Processing Industry Engagement Plan developed** for the implementation, monitoring and review of the Food Processing Industry Engagement Strategy;
- iv. **Monitoring, Evaluation and Learning Framework for the Benefit-sharing Fund developed and implemented**, including to inform the design of the Fifth Cycle of the Benefit-sharing Fund program;
- v. **Fifth Cycle of the Benefit-sharing Fund program finalised and launched** with at least USD 9.3 million dollars available for its implementation;
- vi. **Guidance on the Fourth Cycle of the Benefit-sharing Fund provided** based on COVID- 19 impact analysis undertaken;
- vii. **Independent Evaluation of the Third Cycle of the Benefit-sharing Fund finalised** with inputs by the Funding Committee through a special webinar;
- viii. **External experts and active observers regularly engaged** to inform the Funding Committee's work, including from the European Union, the Global Crop Diversity Trust, agribusiness research and analysis sector, FAO's Resource Mobilization and Private Sector Partnerships Division, FAO's GEF Unit, and from the Secretary in relation to the Compliance Committee so as to coordinate and streamline future reporting.

II. IMPLEMENTATION OF THE FUNDING STRATEGY

12. At its Eighth Session, the Governing Body welcomed the dynamic and synergistic programmatic approach developed for the Funding Strategy that is expected to:

- 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.

13. In order to take the implementation of the new Funding Strategy forward, the Funding Committee developed and implemented an Operational Plan for the Funding Strategy 2020–2025 (the Operational Plan), as foreseen in paragraph 44 of the Funding Strategy 2020–2025, and is provided through Appendix 2 of the Proceedings of the Fifth Meeting of the Funding Committee.

14. The Operational Plan is a multi-year plan designed to guide the Funding Committee in the implementation of the Funding Strategy over the period 2020–2025, and encompasses the requests made by the Governing Body through Resolution 3/2019 and its Annexes. It is designed to be regularly reviewed and updated by the Committee.

15. It identifies the following three areas to focus efforts on, and sets out major milestones, outputs and timelines within these:

- i. Focus Area 1: Resource Mobilization
- ii. Focus Area 2: Benefit-sharing Fund Operations
- iii. Focus Area 3: Monitoring and Review

16. The following sub-sections of this report detail the work undertaken by the Funding Committee since GB-8 in the implementation of the Treaty's new Funding Strategy under the three thematic focus areas of the Funding Strategy's Operational Plan.

A. RESOURCE MOBILIZATION

17. The Funding Committee reviewed the requests made by the Governing Body through Resolution 3/2019 and its Annexes related to Resource Mobilization and identified seven main work-streams that they fall within, as follows:

- i. National budgets and priorities
- ii. Bilateral programs
- iii. Multilateral mechanisms
- iv. Food processing industry engagement strategy
- v. Innovative funding
- vi. Provision of criteria as called for in Article 13.4 of the Treaty²
- vii. Visibility, outreach and communication.

18. The Committee developed major milestones and outputs for each of the above work-streams for the 2020–2025 period, as detailed in the Operational Plan.

19. Under thematic area “iv”, *Food processing industry engagement strategy*, the Committee developed and finalised a Draft Food Processing Industry Engagement Strategy for the consideration and endorsement of the Governing Body, as provided in the Appendix to the draft Resolution.

20. This responds to the request of the Governing Body that the Funding Committee develop a strategy to mobilize funds from food processing industries, as called for in Article 13.6 of the Treaty.

21. In developing the Food Processing Industry Engagement Strategy, the previous experiences of engaging with the private sector for Treaty implementation was taken into account, as well as the recommendations arising from the 2019 independent evaluation of FAO's 2013 Private Sector Partnership Strategy, as documented in FAO's new Private Sector Engagement Strategy,³ in addition to input from external experts, including from the agri-business sector, and the Global Crop Diversity Trust.

22. The Committee also developed and finalised an *Implementation, Monitoring and Review Plan: Food Processing Industry Engagement Strategy (Inception Phase)* as contained in Appendix 1 of the Proceedings of the Fifth Meeting of the Funding Committee. The Plan is designed to be a living document and sets out an iterative or “step-wise” approach that allows the development, testing and refining of concepts, approaches and tools to inform a targeted and effective set of actions for the Treaty's engagement with the Food Processing industry, as relevant and appropriate.

23. The Committee received briefings on, and provided inputs to, FAO's preparatory work for the Eighth Replenishment of the Global Environment Facility (GEF-8). In doing so, the Committee welcomed the ongoing engagement of the Treaty Secretariat and relevant FAO units in developing FAO

² In its discussions on work-stream ‘iv’, *Provision of criteria as called for in Article 13.4 of the Treaty*, the Funding Committee discussed a small discrepancy in language between Article 13.4, which states that the Governing Body shall consider relevant “policy and criteria” for specific assistance and that of paragraph 29k of Resolution 3/2019, which refers to the development of relevant “policy criteria” for specific assistance. The Committee considered that the matter might be resolved by updating the reference in paragraph 29k of Resolution 3/2019, as appropriate, to reflect the exact language of Article 13.4 of the Treaty.

³ FAO's Strategy for Private Sector Engagement 2021-2025: <http://www.fao.org/3/nd961en/nd961en.pdf>

priority areas of work for GEF-8. It also welcomed the proposed initiatives of FAO to further raise the profile of the Treaty by working with other GEF agencies such as UNDP and UNEP, as well as the opportunities presented to build capacity, demand and actions in recipient countries for designing and accessing innovative projects on PGRFA.

24. The Committee also received briefings and provided advice on several joint resource mobilization initiatives between the Treaty Secretariat and the Global Crop Diversity Trust. This included the proposal for the launch of a Food Security Bond, the establishment of the Emergency Reserve for Genebanks, support to Global Conservation Strategies, the BOLD programme, which is a new global initiative in support of national genebanks, and numerous joint communication and outreach activities.

25. The Operational Plan anticipates a number of other activities to take forward in the 2022–2023 biennium, under the Resource Mobilization work-stream. This includes operationalizing the Food Processing Industry Engagement Strategy, undertaking activities to promote the greater integration of the Treaty in bilateral programs, international mechanisms, funds and bodies, and carrying out communication, visibility and donor outreach initiatives.

B. BENEFIT-SHARING OPERATIONS

26. Through the adoption of the updated Funding Strategy, the Governing Body delegated the authority for the operations of the Benefit-sharing Fund during the biennium to the Funding Committee.⁴

27. As requested by the Governing Body, a report on the Benefit-sharing Fund is provided through IT/GB-9/22/10/Inf.2, *Benefit-sharing Fund: 2020–21 Report*. The Report provides details on the operations of the Benefit-sharing Fund for the 2020–2021 period.

28. The Funding Committee reviewed the requests made by the Governing Body through Resolution 3/2019 and its Annexes related to the Benefit-sharing Fund, and noted that they encompass activities concerning individual BSF cycles as well as the broader BSF program and operations for the 2020–2025 period. The Committee has developed major milestones and outputs for the individual BSF 3-6 project cycles, and the BSF program and operations overall for the 2020–2025 period, as detailed in the Operational Plan.

29. The Committee developed and finalised the BSF Monitoring, Evaluation and Learning (MEL) Framework based on the requirements set out in the BSF Operations Manual.⁴ This includes linking outcomes and outputs within the storyline and BSF Theory of Change, with clear targets and indicators established to enable the monitoring and evaluation of projects and programs. The document is provided through Appendix 3 of the Proceedings of the Fourth Meeting of the Funding Committee and contains a number of innovations, including:

- i. Learning is enabled within and between projects and programmes and the external environment;
- ii. An integrated approach to monitoring, evaluation and reporting;
- iii. Communication, learning and knowledge management is connected to the BSF reporting system;
- iv. BSF outreach and visibility is further streamlined and linked to knowledge management;
- v. Independent Evaluation is enhanced to include a review of the BSF programmatic approach in addition to individual project cycles.

30. The Committee undertook an extensive process to develop, finalise and launch the Fifth Cycle of the Benefit-sharing Fund (BSF-5). It took into account the programmatic approach of the new Funding Strategy, the BSF Operations Manual, which sets out the basis for programming funding cycles for the 2020–2025 period including new modalities for fund allocation, and the newly finalised MEL

⁴ Resolution 3/2019 paragraph 31, Annex 2: Operations Manual: Benefit-sharing Fund available at <http://www.fao.org/3/nb780en/nb780en.pdf>

Framework that incorporates learnings from previous project cycles, including those arising through the independent evaluation of BSF-3. Virtual briefings for Regional Groups were also organised to assist the Committee in the finalisation of BSF-5. Approximately USD 9.3 million is available for BSF-5 as of February 2022. The Call for Proposals for BSF-5 was developed by the Secretariat under the guidance of the Committee. The Bureau subsequently reconvened the independent Panel of Experts to conduct the review of project proposals and the Committee launched BSF-5 on 22 May 2022.

31. Following the conclusion of the first phase of the independent evaluation of the third cycle of the Benefit-sharing Fund, the Committee was briefed on its outcomes through a special webinar, which included a presentation by the independent evaluation team on the results. The full report is provided to the Governing Body through IT/GB-9/22/10/Inf.1, *Report on the Evaluation of the Third Project Cycle of the Benefit-sharing Fund*, for its information.

32. The focus of activities for the Benefit-sharing Fund Operations, in the 2022–2023 biennium, will largely be on the launch and implementation of BSF-5 and some of its new features, particularly those related to knowledge and learning.

C. MONITORING, LEARNING AND REVIEW

33. Through the Operational Plan, a monitoring, learning and review cycle has been established for the 2020–2025 strategic period that enables the regular monitoring and review of the implementation of the Funding Strategy, as requested by the Governing Body through Resolution 3/2019 and its Annexes.

34. The Operational Plan sets out major milestones and outputs for each biennium over the 2020–2025 period, as summarised below:

- i. For **monitoring**, it includes the development and use of tools for the ongoing monitoring of Funding Strategy implementation, including the BSF MEL framework, the further development of the Matrix of Funding Tools, and a methodology for measuring non-monetary benefit sharing. Since GB-8, the Funding Committee has finalised and implemented the BSF MEL Framework, and is taking forward the development of the remaining tools in the current 2022–2023 biennium.
- ii. For **review and learning**, it includes regular reviews and updates of the Operational Plan and Funding Strategy. It also includes periodic reviews of the target for the Funding Strategy and that of the Benefit-sharing Fund, and of financial flows to Treaty implementation. A five-year review of the overall Funding Strategy, and the BSF program and operations is also planned. Since GB-8, the Funding Committee has regularly reviewed and updated its Operational Plan, with further reviews foreseen in the 2022–2023 biennium.
- iii. For **reporting**, it includes biennial reports of the Funding Committee to the Governing Body, such as this report to GB-9. Biennial reports from Contracting Parties and others on the implementation of the Funding Strategy are also foreseen starting in the 2022–2023 biennium. A 5-year report on the implementation of the Funding Strategy and a new Funding Strategy 2025+ is expected to be put to GB-12 for review.

35. The focus of work in the 2022–2023 biennium for Monitoring, Review and Learning, includes the development and use of monitoring tools, as well as reviews of the implementation of the Funding Strategy, its targets, and of financial flows to areas of Treaty implementation.

DRAFT RESOLUTION **/2022**THE GOVERNING BODY,**

Recalling Articles 13.2, 13.3, 18 (in particular 18.4) and 19.3f of the International Treaty;

Recalling Resolution 3/2019 through which the Funding Strategy of the International Treaty for the period 2020 to 2025 was adopted, in order to enhance the availability, transparency, efficiency and effectiveness of the provision of financial resources to implement activities under this Treaty, and through which it decided to make the Committee a standing Committee;

1. *Welcomes* the report of the Standing Committee on the Funding Strategy and Resource Mobilization (the Funding Committee or Committee) and the progress made in implementing the Funding Strategy since its adoption.

PART I: FUNDING STRATEGY

2. *Notes* that the first three years of the Funding Strategy 2020–2025 has been implemented mostly during the COVID-19 pandemic, which has significantly affected and will continue to affect the global policy, fiscal and operational environment, and *requests* the Committee to consider the resulting impacts, challenges and opportunities in taking forward its work on implementing and making recommendations for updating the Funding Strategy.

3. *Requests* the Funding Committee to continue to play a leading role in advancing the realization and monitoring of the Funding Strategy in order to provide the necessary strategic guidance as well as operational oversight of relevant processes and activities relating to the Funding Strategy;

4. *Requests* FAO to prioritize the delivery of programmes and projects supportive of implementation of the Treaty, and to support the nexus between biodiversity and climate change, in particular, through its involvement in the Global Environment Facility and Green Climate Fund, as appropriate, and to actively contribute to the work of the Committee;

5. *Recalls* that the Global Crop Diversity Trust is an essential element of the Funding Strategy and *thanks* it for the significant efforts made to engage with the Committee as an active observer, providing advice to the work of the Committee, and collaborating with the Treaty Secretariat on a number of joint resource mobilization and communication initiatives;

6. *Notes* with concern, the absence or low participation of some regions in the meetings of the Funding Committee, and *urges* Regional Groups and Contracting Parties to consider both expertise and availability in nominating members to the Committee.

7. *Notes* the inconsistency in language between paragraph 29k of the Funding Strategy of the International Treaty 2020–2025, as contained in *Annex I* to Resolution 3/2019, which refers to the development of relevant “policy criteria” for specific assistance, and that of Article 13.4 of the Treaty, which states that the Governing Body shall consider relevant “policy and criteria” for specific assistance, and *agrees to amend* the text of the said paragraph to read “policy and criteria”, so as to reflect the exact language of the Treaty.

8. *Decides* that the costs of the meetings of and the preparatory work for the Funding Committee, up to [USD X] 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;

9. *Invites* donors in a position to do so to support the work of the Committee, in particular the participation of developing countries.

PART II: RESOURCE MOBILIZATION

10. **Encourages** Contracting Parties to mobilize resources from various sources to meet the targets of the Funding Strategy;
11. **Thanks** the Funding Committee for developing a strategy to mobilize funds from food processing industries, as requested by the Governing Body, and as called for in Article 13.6 of the Treaty.
12. **Approves** the Food Processing Industry Engagement Strategy, as contained in the *Appendix* to this Resolution, and **requests** the Committee to implement the Strategy and provide regular updates to the Governing Body on its implementation;
13. **Thanks** Germany, Italy, Ireland, Norway, Sweden and Switzerland for their financial contributions during the period 2020–2022 to the Fund for Agreed Purposes of the International Treaty and other funds under the direct control of the Governing Body, and **encourages** other Contracting Parties and donors to also make financial contributions to the Fund to further support the implementation of the International Treaty;
14. **Welcomes** the financial contributions made by the European Union, Italy, the Netherlands, Norway and Switzerland in support of the fifth cycle of the Benefit-sharing Fund;
15. **Acknowledges** and **thanks** the French Inter-professional Organisation for Seeds and Plants (SEMAE) for the generous annual contributions in the 2020–2021 biennium of a sum of EUR 175 000 each year to the International Plant Treaty’s Benefit-Sharing Fund, and **appeals** to other stakeholders and relevant actors in the private sector, especially the seed and the food processing industries, to consider making voluntary contributions on a multi-annual basis;
16. **Welcomes** the further payments of the mandatory user-based income from the Multilateral System on Access and Benefit-sharing to the Benefit-sharing Fund, and **stresses** the urgent need for ensuring an enhanced and predictable flow of resources to the Fund;
17. **Invites** the private sector and others to make or continue making and increasing financial contributions in order to meet the targets of the Funding Strategy;
18. **Recalls** that text regarding a target range for the Benefit-sharing Fund remains bracketed in paragraph 36 of the Funding Strategy 2020–2025, and **notes** the need to resolve this matter;
19. **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.

PART III: BENEFIT-SHARING FUND OPERATIONS

20. **Welcomes** the launch of the Fifth Cycle of the Benefit-sharing Fund and **thanks** the donors who have contributed to it;
21. **Thanks** the Funding Committee for providing guidance to the operations of the Benefit-sharing Fund during the biennium and, in particular, for its work in the design and launch the Fifth Cycle of the Benefit-sharing Fund, which contributes to the realization of the programmatic approach for the Fund, as adopted by the Governing Body;
22. **Welcomes** the finalization of the Monitoring, Evaluation and Learning (MEL) Framework of the Benefit-sharing Fund as an integral part of the monitoring of the overall Funding Strategy as is described in Section V of the Funding Strategy that links outcomes and outputs within the storyline and Theory of Change of the Benefit-sharing Fund, with clear targets and indicators established to enable the monitoring and evaluation of projects and programmes;

23. **Welcomes** the Report of the Independent Evaluation of the Third Project Cycle in accordance with the Operations Manual of the Fund, and **notes** that the Funding Committee has made use of the recommendations and lessons learned from the evaluation in the design of the Fifth Cycle of the Benefit-sharing Fund;

24. **Stresses** the importance of communicating the results of the on-going projects under the Fourth Cycle and the expected results of the Fifth Cycle within the framework of the broader communication strategy of the International Treaty, and in this regard **encourages** the Secretariat to continue to hold regional briefings to update Contracting Parties and stakeholders on progress and relevant developments, as well as to receive feedback.

PART IV: MONITORING, LEARNING AND REVIEW

25. **Invites** Contracting Parties, international mechanisms, funds, bodies, stakeholder groups and other international organizations to provide information to the Secretary to assist the Funding Committee in undertaking regular reviews of the Funding Strategy and **requests** the Funding Committee to continue to work in collaboration with the Compliance Committee so as to agree the best way to integrate information in existing reporting formats;

26. **Calls** upon Contracting Parties to share information about the results of the further integration of PGRFA in national budgets and priorities with the Secretariat for the development of strategic tools that National Focal Points and others can use to leverage new resources;

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

*Appendix to Draft Resolution **/2022*

DRAFT FOOD PROCESSING INDUSTRY ENGAGEMENT STRATEGY

SETTING THE STAGE*Background and context*

1. Plant genetic resources for food and agriculture make an essential contribution 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.
2. The food processing industry benefits from plant genetic resources for food and agriculture, as is recognised in Article 13.6 of the International Treaty on Plant Genetic Resources for Food and Agriculture (the Treaty). Article 13.6 states that the Treaty's *Contracting Parties shall consider modalities of a strategy of voluntary benefit-sharing contributions whereby Food Processing Industries that benefit from plant genetic resources for food and agriculture shall contribute to the Multilateral System.*
3. This Article, along with the request made by the Treaty's Governing Body through paragraph 29 h in the Annex of Resolution 3/2019, which calls on the Funding Committee to develop a strategy to mobilize funds from food processing industries, as called for in Article 13.6 of the Treaty, constitute the mandate for the development of this Food Processing Industry Engagement Strategy (the Engagement Strategy). In developing it, the Standing Committee on the Funding Strategy and Resource Mobilization (the Funding Committee) has also taken into account that Article 13 of the Treaty acknowledges different mechanism of benefit-sharing, namely: exchange of information, access to and transfer of technology, capacity building and sharing of monetary and other benefits of commercialization.
4. The Engagement Strategy has been developed in the context of the Treaty's new Funding Strategy 2020–2025. The Funding Strategy was adopted by the Governing Body at its Eighth Session and strives to ensure that sufficient resources are mobilized through a range of channels for the implementation of the Treaty, including from the food processing industry.
5. The Engagement Strategy will be implemented in the context of relevant global policy frameworks such as the Sustainable Development Goals (SDGs) of the United Nation's 2030 Agenda for Sustainable Development, and the Post-2020 Global Biodiversity Framework. The SDGs include a robust role for the private sector in global development, and analysis has shown that it is common practice for companies in the food processing industry to judge their activities against them. The first draft of the Post-2020 Global Biodiversity Framework⁵ encourages resource mobilization from all sources in the implementation of the Framework, including through leveraging private finance.
6. As stated in the Treaty's Funding Strategy, PGRFA conservation and sustainable use contribute directly and indirectly to the implementation of a number of SDGs. These include SDG 1 (No Poverty), 2 (Zero Hunger), 12 (Responsible Production and Consumption), 13 (Climate Action), 15 (Life on Land) and 17 (Partnerships for the Goals). There is a clear opportunity to engage with the food processing industry to develop strategic partnerships for the implementation of the Treaty to contribute to the achievement of the SDGs.
7. The Engagement Strategy sets out: a vision and objective in connection to the Treaty; principles for engagement; and assessing and managing related risks.

Evolution, experience and opportunities for the Treaty's engagement with the private sector

⁵ <https://www.cbd.int/doc/c/d605/21e2/2110159110d84290e1afca98/wg2020-03-03-en.pdf>

8. Since its inception, the Treaty has engaged with the private sector in different ways. The Treaty plays a regulatory role related to facilitated access to PGRFA and the sharing of benefits arising from its use, and also recognises and encourages the role of the private sector in the Treaty's implementation.

9. The Treaty has established a Multilateral System on Access and Benefit-sharing, which contains the world's largest genepool available for research, breeding and training for food and agriculture. The Multilateral System includes a requirement that a recipient who commercializes a plant variety that incorporates material accessed from the Multilateral System, shall pay to the Treaty's Benefit-sharing Fund (BSF), an equitable share of the benefits arising from the commercialization of that product, if certain conditions are met, as stated in Article 13.2 (d).

10. The private seed sector has engaged in Treaty implementation through its role as an active observer in Treaty negotiations and also through making voluntary contributions to areas of the Treaty's implementation, such as to the Treaty's BSF and to the Global Crop Diversity Trust.

11. There are a number of examples of food manufacturer's involvement in PGRFA initiatives. These include public-private-partnerships, with a specific crop focus, that are designed to help small-holder farmers. Many of the Top 100 food companies have been involved in such partnerships, that have included a focus on particular crops such as sorghum, barley, cassava, cocoa, soybeans, coffee and tea, among others⁶. Similarly, the Global Crop Diversity Trust has developed global conservation strategies for specific crop commodities of interest to the food processing industry with a view to raising funds for their implementation.

12. In the development of this Engagement Strategy, the previous experiences of engaging with the private sector for Treaty implementation has been taken into account, as well as the recommendations arising from the 2019 independent evaluation of FAO's 2013 Private Sector Partnership Strategy, as documented in FAO's new Private Sector Engagement Strategy⁷, and input from external experts.

ENGAGEMENT STRATEGY

13. The vision and objective of this strategy are aligned with those of the Treaty's overall Funding Strategy⁸.

The vision

14. Through engaging with the food processing industry, partnerships can be formed that enable voluntary contributions to be mobilized for the implementation of the objectives and provisions of the Treaty in a long-term, coordinated, synergistic and effective manner. This further enables the conservation and sustainable use of PGRFA, contributing to increasing and safeguarding food and nutrition security, improving rural livelihoods and economies, supporting the conservation and sustainable use of biodiversity, meeting the challenges of adapting to climate change and achieving the Sustainable Development Goals.

Objective

15. To enable partnerships with the food processing industry to support the Multilateral System and the implementation of the Treaty as a whole, at national, regional and international levels, including through voluntary financial contributions, as well as other resources.

Approach

⁶ Source: Syngenta Foundation for Sustainable Agriculture, 2015

⁷ FAO's Strategy for Private Sector Engagement 2021-2025: <http://www.fao.org/3/nd961en/nd961en.pdf>

⁸ Resolution 3/2019, *The Funding Strategy Of The International Treaty on Plant Genetic Resources For Food And Agriculture 2020–2025*: **Paragraph 6**: 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. **Paragraph 14**: 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.

16. The Engagement Strategy will utilise a step-wise approach, enabling the development, testing and refining of concepts, models and tools to inform a targeted and effective set of actions for the Treaty's engagement with the food processing industry. This approach allows for regular review, learning and consultation with industry stakeholders to deepen the joint understanding and identification of opportunities of mutual interest, for building strategic and sustainable partnerships between the Treaty and the food processing industry. The *Implementation, Monitoring and Review Plan: Food Processing Industry Engagement Strategy (Inception Phase)*⁹ is updated periodically by the Funding Committee and is provided as a separate document.

17. It is envisaged that this strategy should involve the voluntary participation and contribution of a range of partners enabling the implementation of the Treaty, at national, regional and international levels. Engagement may also be informed by existing experiences of Treaty enabling partners in private sector engagement, such as those facilitated by the Global Crop Diversity Trust in the development of global conversation strategies for specific crop commodities, some of which are of interest to the food processing industry. The Funding Committee will play a leading role in overseeing the planned activities and outputs of this strategy and develop key milestones and actions.

18. At the inception, efforts will be made to define the Treaty's value proposition for the food processing industry, develop communication tools, identify entry points and possible models for engagement.

19. These elements will be informed by further analysis, the distillation of lessons learned and best practices, and through identifying areas of common interest to the Treaty and food processing industry.

20. Elements developed will be further refined through consultations with key stakeholders, including from the food processing industry, such as industry platforms and associations, and other relevant private sector actors. This will involve the identification of a sounding board to facilitate consultation with these stakeholders.

Food processing industry: description, scope and sectors

21. The food processing industry, or food and drink manufacturing sector, is one stage in the complex overall agri-food chain that starts with the input industries which provide farmers with the products they require to produce their crop and livestock, and the products flow through the food value chain, including the final consumers.

22. The food processing industry is extremely vast and encompasses a wide array of enterprises, from large national and multinational companies and industries, to medium, small-scale and micro businesses and industries, as well as family farms in many countries.

23. Analysis¹⁰ has been undertaken by an external expert on the food processing industry, as part of the development of this strategy including on trends and drivers, and the Treaty's value proposition. The analysis also highlighted that the food processing industry is highly diversified and fragmented. The Funding Committee may decide to commission further studies in the future to ensure that approaches developed under this strategy remain relevant, including in both developed and developing country contexts.

Why partner with the food processing industry?

24. There are numerous areas of synergy between the food processing industry and the Treaty, and various mutually reinforcing benefits of their successful functioning.

25. Benefits to the Treaty of partnering with the food processing industry include those related to communication, knowledge, technology and innovation. Partnerships may generate joint communication on biodiversity and sustainable food systems, real-time knowledge and data, market intelligence and best practices, and facilitate the effective dissemination of information nationally, regionally and globally.

⁹ Appendix 1, SFC-5 Meeting Proceedings (15–17 February 2022): <http://www.fao.org/3/cb9206en/cb9206en.pdf>

¹⁰ <http://www.fao.org/3/CB6664EN/CB6664EN.pdf>

26. Common threads with the Treaty include addressing issues such as biodiversity, climate change, technology transfer/capacity building, agricultural diversification and support to family farming, and benefit sharing. Further areas to be explored could be plant based food and the contribution of PGRFA to the achievement of the SDGs.

Why should the private sector partner with the Treaty?

27. The food processing industry is inextricably linked to, and reliant upon the seed sector, and benefits from plant genetic resources for food and agriculture, agrobiodiversity, sustainable access to seeds and the unique partnerships that the Treaty's systems provide.

28. The Treaty's successful implementation may benefit the food processing industry including in the areas of research and development, farmers' continued access to reliable and diverse seed, and addressing threats to the environment and supply chain.

29. For companies with existing seed initiatives, association with the Treaty could be seen as formal recognition of their seed efforts. For companies without any specific seed-related initiatives but which recognise the importance of seeds in their ESG communications, association with the Treaty could be seen as a formal initiative which validates their seed awareness.

30. The Treaty may serve as a trusted broker of relevant alliances. The Treaty is able to bring together and facilitate communication between Governments and the private sector on shared priorities, governance and policy issues and investments.

Areas for engagement with the food processing industry

31. The potential areas for engagement and partnership with the food processing industry will be refined based upon further analysis of the areas of synergy between the Treaty and food processing industry. It is anticipated that the broad areas of engagement may include those priority areas identified by FAO for its engagement with the private sector in its new strategy, as listed below:

- a) Policy dialogue
- b) Capacity development
- c) Resource mobilization
- d) Technical cooperation
- e) Knowledge and research
- f) Advocacy and communication
- g) Innovation
- h) Data sharing and dissemination
- i) Support for financing and investment
- j) SDG alignment
- k) SDG advocacy

Fully supporting international, regional and national engagement opportunities

32. Contracting Parties of the Treaty will play a critical role in promoting and enabling food processing industry investments in their countries and for Treaty implementation more broadly. The Engagement Strategy will explore the support required and develop tools and models to be tested and made available to assist with engaging the food processing industry and developing partnerships at national, regional and international levels, taking into account different national and regional contexts and, if possible, in more than two UN languages.

Principles for engagement

33. The principles for engagement should be integrated throughout the operationalization of this strategy. They are in line with and build on those set out in FAO's new Private Sector Engagement Strategy including, in no particular order, to:

- a) demonstrate a clear contribution to the attainment of the Treaty and the SDGs that are relevant to the implementation of the Treaty;

- b) respect the values of the Treaty, FAO and the United Nations;
- c) not compromise the Treaty's neutrality, impartiality, integrity, independence, credibility or reputation;
- d) be effectively managed and avoid any conflicts of interest or other risks to the Treaty
- e) demonstrate a clear contribution to the Treaty's mandate, and objectives and its Members national development goals;
- f) respect the intergovernmental nature of the Treaty and the decision-making authority of its Members as set out in the Treaty text and other relevant rules;
- g) support and enhance, without compromise, the neutral and independent scientific and evidence-based approach that underpins the Treaty's work;
- h) protect the Treaty from any undue influence, especially on processes for setting and applying policies, norms and standards;
- i) be conducted based on transparency, openness, inclusiveness, accountability, integrity and mutual respect.

Assessing and managing risk

34. It is anticipated that engaging and developing partnerships with the food processing industry will be undertaken by a diverse range of different Treaty stakeholders and channels.

35. Where the Treaty engages or partners with the food processing industry through the Treaty's Secretariat, assessment and management of risk may be considered based upon those areas set out in FAO's Strategy for Private Sector Engagement 2021–2025, of:

- a) conflicts of interest;
- b) undue or improper influence exercised by a private sector entity on the Treaty's work, especially, but not limited to, policies, norms and standard-setting;
- c) a negative impact on the Treaty's integrity, independence, credibility, reputation or mandate;
- d) the engagement being primarily used to serve the interests of the private sector entity, with limited or no benefit to the Treaty;
- e) the engagement conferring an endorsement of the private sector entity's name, brand, product, views or activity;
- f) the "blue-washing"¹¹ of a private sector entity's image through an engagement with the Treaty;
- g) failure of the partnership to provide the expected benefits.

Implementation, Monitoring, Evaluation and Re-Planning

36. The Engagement Strategy is envisaged to be a living document that takes an iterative or "step-wise" approach and may be periodically updated. In line with the monitoring and review arrangements of the Treaty's Funding Strategy, the Funding Committee will regularly monitor and review progress on the implementation of the Engagement Strategy and update the Governing Body on a regular basis, and make recommendations for adjustments.

¹¹ The term "blue-washing" is generally understood to be the marketing practice of corporations and companies to form collaborations and associations with United Nations entities to make their goods or services more attractive to their consumers and shareholders that may overstate their commitment to responsible social and ethical practices.