Crop Trust Update
CGIAR System Management Board
12 December 2017

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1. Genebank Platform updates
2. Endowment and fundraising
3. CGIAR/Crop Trust cooperation
• Costing review 2018-2020
• Efficiencies (e.g. automated seed sorting, germination testing)
• Strategic curation
• Rationalization (e.g. forages collections ILRI-CIAT)
• Quality Management Systems
• Digital Object Identifiers (DOIs)
Integration with other Platforms and CRPs

• Genebank staff on EIB Module Advisory Committees
• Participation in Big Data convention
• Policy Module & CGIAR Genetic resources working group
• Collaboration with CCAFS at COP23
• Joint newsletter with Future Harvest
• Hosting Wheat CRP leader in Crop Trust offices
Some issues

• Change in genebanks’ leadership
• Major push on impact and communications (in response to IEA report)
• Adoption of DOIs by germplasm users and partners
• Genotyping of genebank accessions
• Data data data
Governance and management

CGIAR System Management Board and Center DGs

Crop Trust Executive Board

Crop Trust Executive Director

Platform Coordinator

Platform Management Team

Independent Advisory Committee

GHUs

Article 15 group Genebank Managers

Conservation Module

Use Module

Policy Module

GENEBANK PLATFORM

Crop Trust

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Article 15 group Genebank Managers

Conservation Module

Use Module

Policy Module

********** advisory
Crop Trust working with the CGIAR

- CWR projects supporting CGIAR Centres
  - Collecting
  - Pre-breeding
  - Multiplication
- Japanese funded project with AfricaRice
- Food Forever
- Support for fund-raising (e.g. CIAT genebank)
- Svalbard Global Seed Vault
Three Pillars to a Global System

- International Genebanks
- Key national & regional collections
- Svalbard Global Seed Vault
The Rationale for the Endowment Fund

Worldwide response to the crisis afflicting the biological basis of our food supply and nutrition.
Structure of the Endowment Fund

- Designed to keep its capital intact with investment income going to support crop collections across the world
- Long-term financing while only requiring a one time contribution from donors
- Responsibly Invested
Cost of the Global System

USD 34 million per year require an Endowment Fund of USD 850 million – of which 18.5 million per year is for the “Article 15” collections or about USD 500 million of the Fund
Estimated value as at 11 Dec. 2017 includes $58.1m (€50m) loan.
Endowment fund

Endowment Return vs Income withdrawal

Historical endowment returns vs Income Withdrawal
Our point of departure:

• ODA stagnating in many countries
• Increased share to emergencies
• Increased focus on short term (political) priorities at the cost of long term goals
• Donors are pooling funds in broad initiatives
• Only so much governments can, or should, do
• Private sector needs to be involved beyond talk
Government grants to the endowment are still our preferred way of funding

- Further dialogue with current and new donors is supported by annual consultations

- **Concessional loans - a temporary increase in the endowment**
  - A second-best solution to generate income upfront until further grants can be sourced
  - KfW Euro 50 million loan has been accepted
    - Concessional - but not enough
    - Germany/ BMZ has committed Euro 4,15 million and the Netherlands USD 0,3 25 to reduce interest rate

- **No plans for further loans**
Funding strategy cont.

- **Green Climate Fund** project under development with KfW for national collection strategy
- Project for CGIAR collections might be a possibility
Crop-based fundraising is being piloted to mobilize private resources

- Aim is to tie conservers, researchers, producers and other users in the commodity chain into the development of a global crop-based conservation strategy and then seek funding
  - Example Coffee
    - Strategy developed with World Coffee Research
    - Fundraising is started with support of consultants
- Next: Tea and Apples
- Invitation to any of the CGIAR centers to target a crop
• Funding for annual operational expenditures of the Crop Trust Secretariat
  • Donor funding helps protect the endowment during its growth phase

• Investment Sharing Facility to be re-launched
  • New ESG-compliant equity mutual fund to be marketed from Jan 2018
  • “Donating share class vehicle” approved from Jan 2018
  • Annual dividend income channeled to the Crop Trust Foundation gGmbH, our new German charitable corporation
  • German donors may benefit from income tax deduction
  • Tax deduction could be replicated in other countries (takes work and a bit of money
Food Security Bond could raise private capital for national genebanks

- Would support projects for upgrading of genebanks with high priority for agri-food industry
- Still at the exploratory phase
- Will start discussion with select governments

**US Farm Bill 2018-2022**

- Currently Crop Trust is included in US Farm Bill at USD60m 2014-2018 with a cap on the total US contributions to the Fund at 25% of total paid in contributions
- Crop Trust is meeting with Congressional representatives on Agricultural Committee to raise awareness about the Crop Trust and to seek to have the cap raised to 33.3% in line with other international organizations
Funding for annual operating costs of CGIAR Genebanks

• We are committed to provide an annually rising share of their operating costs from the endowment + bilateral funding
• Endowment does not yet cover all commitments and annual donor funding is required
• Coordination with bilateral donors to CG genebanks is required
• 2017: an extremely unfortunate process with the Netherlands
Excellent progress and collaboration in the Genebank Platform

CGIAR-Crop Trust interaction at a higher level: A formalized agreement between the CGIAR and the Crop Trust to be developed, focusing on:

– Information flow between two very different governance models
– Reporting lines from Crop Trust to SMO, SMB, General Assembly and System Council
– Responsibilities and risks
– Collaboration on finance issues, fundraising and communication
Thank you