

Assuring the financing of CGIAR's work to fulfill its obligations towards the International Treaty on Plant Genetic Resources for Food and Agriculture

Purpose

This document sets out, for information purposes, the intended approach to providing – through CGIAR's annual plan for disbursement of pooled funding ('FINPLAN' and successors) – assured financial support for the essential operations of genebanks, germplasm health units (GHUs) and associated policy work to ensure CGIAR fulfills its obligations to Article 15 of the International Treaty on Plant Genetic Resources for Food and Agriculture (PGRFA).

Action Requested

The System Council is requested to take note of the proposed approach, noting that this will form part of an overall proposal for System Council decision on disbursement of pooled funding agreed and recommended by the CGIAR System Board.

<p>Document category: Working document of the System Council. There is no restriction on the circulation of this document</p>
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Context:

1. The funding to CGIAR's program of work for genebanks has been protected from budget cuts for the past ten years. The then Consortium Board first laid down this concept in 2013 and applied it to the Genebanks CGIAR Research Program (CRP). It was further endorsed in Fund Council meetings and by the CGIAR Peer Review Team in 2015 and 2016, for the then Genebanks Platform.
2. A more recent recommendation was made to CGIAR by a [System Level Review of Costs and Operations](#) in 2020, which undertook an accurate costing of genebank essential operations.
3. Since 2017, the approved annual FINPLANS have included an instruction that the Genebank Platform, and from 2022 the Genebank Initiative, should benefit from protected funding. However, the FINPLANS have not been explicit about the terms for this funding in relation to factors such as sources of funding, inclusion or exclusion of different genebank activities, or direct versus indirect costs.

Impact:

4. According to the evaluation of the Genebank CRP undertaken in 2016¹, this protected funding "was a critical factor contributing to the marked improvement in the operations and security of the CGIAR genebanks." "Centers have developed long-term plans and, probably for the first time in the case of several genebanks, have been able to implement these plans without interruption, largely due to the stable funding for genebank operations over the past five years."
5. These protections have enabled CGIAR's genebanks to achieve genebank standards agreed by the FAO². Critically, without this security of funding, there is no doubt that the full reconstitution of ICARDA's global wheat, barley and grain legumes collection would not have been possible after relocating from Syria.

Sources of funding to support essential operations:

6. The endowment mechanism managed by the Global Crop Diversity Trust (Crop Trust) is intended for the funding of 'essential operations' of Article 15 genebanks. The set of essential operations has been defined and costed through two in-depth exercises undertaken by the Crop Trust and CGIAR. CGIAR has packaged these essential operations into Work Package 1 of the Genebanks Initiative. CGIAR genebanks become eligible to receive funds for these operations via Long Term Partnership Agreements (LPAs) with the Crop Trust, once they meet the necessary operational standards; to date IRRRI has an LPA and other Centers are on track. While this endowment mechanism

¹ <https://iaes.cgiar.org/sites/default/files/pdf/Genebanks-CRP-evaluation-Summary-Report.pdf>

² FAO 2014

matures and Centers progressively enter into LPAs, the remainder of the WP1 costs are met through CGIAR's pooled funding.

Policy and germplasm health units:

- CGIAR's former Fund Council in 2015 recognized that CGIAR genebanks could not operate safely or fulfill obligations under the Treaty without policy compliance, active engagement in policy development and phytosanitary controls. The CGIAR System Board and the Science Group Managing Directors share this view. Hence Work Package 2 of the Genebank Initiative – framed as such since early 2022 – supports activities on PGRFA policy and Germplasm Health Units (GHUs). These elements are funded solely by CGIAR, and do not fall within scope for Crop Trust endowment mechanism.

The intended approach:

- CGIAR management will ensure that, through CGIAR's annual plan for disbursement of pooled funding (FINPLAN and successors), funding is assured for **Work Packages 1 and 2** of the Genebank Initiative as follows for the current 2022-24 business cycle:

	USD 000s						
	Total annual costs	2022		2023		2024	
		CGIAR	Crop Trust	CGIAR	Crop Trust	CGIAR	Crop Trust
WP1 Essential genebank operations	16,100	11,514	4,586	11,472	4,628	9,582	6,518
WP2 Futureproofing, GHUs & Policy	5,550	5,550		5,550		5,550	
Management costs	750	750		750		750	
Total	22,400	17,814	4,586	17,772	4,628	15,882	6,518

- These figures include overhead but net of the CGIAR Cost Sharing Percentage (CSP).
- The respective contributions from the CGIAR Trust Fund and the Crop Trust were indicated at the beginning of the 3-year business cycle and are expected to be stable and reliable during the duration of the cycle. If changes are required by the Crop Trust for unavoidable reasons, there may need to be adjustments in CGIAR's approach to assuring funding of the genebanks.
- The assured funds will be subject to a 100% disbursement rate to assure continuity of essential operations and safeguarding of critical assets.

12. Chargeback mechanisms for specific services are appropriate for certain activities and users and contribute to the secured funding. These will be reviewed and harmonized across CGIAR (e.g. per unit cost for phytosanitary services to breeders).
13. Building on the chargeback mechanisms proposed above, genebanks, GHUs and PGRFA policy work should be subject to specific reviews of operations and costs to ensure that the funding provided is appropriate and expected standards are being met.
14. The approach proposed here will be subject to a review to be completed in 2024. This review should be carried out as a joint CGIAR-Crop Trust exercise that includes (a) costing of germplasm health units and policy services, and benchmarking against alternative providers, (b) updating of the genebanks essential services costing, (c) consideration of both (i) the Crop Trust strategy towards funding of genebank essential operations to 2030, and (ii) each of the long-term grants (LTGs) and partnership agreements (LPAs) between the Crop Trust and individual Centers, which are subject to review on a different 5-year cycle. The review will be completed in time to inform the annual costing of the securing mechanism for the 2025-2027 business cycle.