



Global Crop Diversity Trust

12th Meeting of the Donors' Council, Rome, 18 May 2015

Minutes

The Donors' Council (DC) of the Global Crop Diversity Trust ('Crop Trust') met on 18 May 2015 at FAO Headquarters in Rome, Italy. The meeting was chaired by the Netherlands. It was attended by representatives of current donors of the Crop Trust, prospective new donors, and partners from the International Treaty on Plant Genetic Resources for Food and Agriculture. [Annex 1](#) provides the list of attendees at the meeting. [Annex 2](#) shows the meeting agenda. The DC meeting was preceded by the second global Stakeholder Discussion of the Crop Trust, as also shown in Annex 2.

1. Introduction and Adoption of the Agenda

The Donors' Council Chairperson welcomed participants to the 12th meeting of the Donors' Council. He reminded participants of the central importance of the core mission of the Crop Trust, which is to secure our food forever by contributing to food security and nutrition for current and future generations. The meeting agenda was adopted as proposed. The minutes of the 11th meeting of the Donors' Council, held on 3 November 2014 and enclosed in [Annex 3](#), were adopted. The slides of the presentations given at this 12th meeting of the Donors' Council will be made available electronically to all invitees of the meeting.

2. Reporting back from the Crop Trust Executive Board meeting held in Lima, Peru on 17-18 March 2015

The Chair provided an oral report on the Crop Trust Executive Board meeting held in March 2015. His meeting summary report is enclosed in [Annex 4](#). At the request of DC participants, the Minutes of the Executive Board meeting of March 2015 will be made available to DC Members, after the Minutes have been adopted by the Executive Board at its next meeting in October 2015. Peru's Observer at the DC meeting acknowledged with gratitude that the last Executive Board meeting of the Crop Trust has been held in Peru.

The Chair highlighted that the Executive Board agreed to the proposal - emerging from the DC's ongoing discussions on the governance role of the DC - to hold a yearly joint meeting of the Executive Board and the DC. The first joint meeting will take place on 26 October 2015 in Rome, as part of the forthcoming 13th meeting of the DC of the Crop Trust.

Australia inquired whether prospective new donors would again be invited to the forthcoming DC meeting in October 2015, to be held jointly with the Executive Board. Crop Trust management responded that the pros and cons would have to be considered for this, in coordination with the DC Chair, while also recognizing that an inclusive approach involving current and prospective partners of the Crop Trust would generally be preferable.

3. Preparations for the April 2016 Crop Trust Pledging Conference, and review of financial modalities for countries contributing to the Crop Trust Endowment Fund

Crop Trust Management summarized the ongoing work of mobilizing support for the Crop Trust Pledging Conference in April 2016 in Washington DC, to be held in conjunction with the IMF/ World

Bank Spring Meetings. The purpose of the conference is to mobilize financing commitments to reach the USD 500 million target (Phase 1) for the Endowment Fund of the Crop Trust. More than 50 nations are being invited to attend this event plus selected private partners. The conference will be co-chaired by the Governments of Germany and Norway, at Ministerial level, and it will be supported at senior management level by the United Nations and the World Bank/ CGIAR Fund Council. Crop Trust staff are currently engaging in extensive outreach to invited Governments and private partners.

Funding the Endowment Fund is one way of cooperating financially with the Crop Trust, and it represents the primary purpose of the April 2016 Pledging Conference. Donors are also providing funding for selected scientific projects; for supporting the operational expenditures of the Crop Trust; and by donating a part of their investment income under the forthcoming Investment Sharing Facility.

The Crop Trust Endowment Fund is targeted at USD 500 million by 2016 so as to earn on average USD 20 million year to fund over the long term the core operational costs of the international crop collections protected under Article 15 of the International Plant Treaty. Donor contributions will be governed by a Standard Contribution Agreement, as set out in the document called *Donor Guide to Crop Trust Endowment Contributions (April 2015)* that has been circulated in advance of this DC meeting. All contributions committed or paid in between October 2013 and April 2016 will count towards the outcome of the Pledging Conference. For contributions to be announced at the Pledging Conference, donors are requested to have secured necessary budgetary approvals in order to provide a firm financing commitment. Most contributions from countries are expected to come from the Official Development Assistance (ODA) budgets, which are often under the purview of the Ministry of Foreign Affairs. Suggested minimum contribution amounts by country are available in the Donor Guide. Contributions are accepted in any convertible currency.

Unlike funding for other multilateral organizations and replenishments, contributions by countries to the Crop Trust Endowment Fund are one-time only. Once the Endowment Fund has been built up to the required level, no further contributions are expected from countries. A second round of increasing the Endowment further, so as to support selected national crop collections of vital importance for food security and nutrition, would be funded primarily through private sector contributions.

Donor contributions are requested to be paid in by the end of 2016, if at all possible. This is necessary as the Crop Trust will assume primary responsibility for funding the crop collections protected under Article 15 of the International Plant Treaty starting in 2017, when the current CGIAR Research Program on Genebanks expires. Some donor countries are currently considering providing additional contributions in the form of a concessional very long-term, low-interest loan.

Australia inquired about the rationale for the sequence of first inviting donor countries to contribute to the Endowment Fund, under Phase 1, and thereafter focusing on private donors, under Phase 2. Crop Trust Management responded that its relations with many donor countries are already in place, while building relations with private partners – who to date contributed less than 10% of the Endowment Fund – would take more time.

Canada asked whether new donor contributions would be formalized in a dedicated legal manner, such as through an Instrument of Commitment. Crop Trust Management responded that this was a possibility, if deemed necessary, while pointing to the Standard Contribution Agreement as the regular way of formalizing a donor's financial commitment to contribute to the Endowment Fund.

Canada also inquired about the private sector partnership strategy of the Crop Trust. The response by Management pointed to 4 current areas of focus for the Crop Trust among private donors: major foundations; the seed industry and its associations; selected food production and distribution companies with a dependence on selected crops that are part of the Crop Trust's work; and high-net-worth individuals in order to generate donations through the Investment Sharing Facility.

Canada questioned whether concessional donor loans would be a sustainable financing tool for the Crop Trust Endowment Fund. Management explained that such loans would have to be very long term and feature a very low (or no) interest rate in order to generate a considerable stream of future investment income for the Crop Trust, after loan service costs. At loan maturity, lenders would also have the option to waive the principal repayment of the loan, thus further enhancing the financial

benefit for the Crop Trust.

Norway commented that it was helpful to understand the linkages – and complementarity - of the Crop Trust's work with that of the Secretariat of the International Plant Treaty, as it was presented in the Stakeholder Discussion preceding the DC meeting. Norway pointed to the expected inclusion of the target on protecting crop diversity under the forthcoming UN Sustainable Development Goals (SDGs), and that the upcoming UN Financing for Development Conference in Addis Ababa in July would be a good opportunity to feature the work of the Crop Trust in support of the SDGs.

New Zealand asked whether there would be flexibility in accommodating specific donor language into the Standard Contribution Agreement of the Crop Trust. Management responded that this could be considered, provided that the principle of fairness and equity across all donors was also being upheld.

Argentina requested more detailed information about the format of the April 2016 Crop Trust Pledging Conference. Management explained that the specific date of this ½ day event would be communicated shortly, and that attendance of countries at Ministerial level was preferable but not required. The goal would be to have regions and continents represented at the highest level of Government, if possible.

4. Review of revised Concept Note on the Governance Role of the Donors' Council

Crop Trust Management reviewed the progress made on the evolving Concept Note about the governance role of the Donors' Council. The objective of this process, which was launched at the DC meeting in November 2014, is to explore how donors could be more closely involved in the work of the Crop Trust, in particular as the Endowment Fund is expected to increase. The DC has set itself a target of reaching conclusions from these deliberations by October 2015. The legal framework guiding this process is the Crop Trust Constitution, complemented by the Relationship Agreement between the Crop Trust and the International Plant Treaty. The DC's deliberations are carried out in a transparent manner involving all DC members.

Per the Crop Trust Constitution, the DC has three core functions: to advise the Executive Board of the Crop Trust on fundraising and other financial matters; to provide a forum for the expression of the views of donors on the operation of the Crop Trust; and to provide financial oversight of the operations of the Crop Trust. There is overall consensus among DC members to adhere to these core functions as set out by the Constitution.

Options with regard to the governance role of the DC that are emerging from the ongoing discussion include the following items: (a) to focus the DC's near-term role on mobilizing new donor funding for the Endowment Fund, by the time of the April 2016 Pledging Conference; (b) for the DC to review the quality of activities funded through the Endowment Fund, such as through a dedicated meeting; (c) to hold DC meetings twice per year, with dates set in advance and with standing agenda items related to the DC's core role; and (d) to ensure a strengthened information flow between the DC and the Executive Board, including through an annual joint session of both bodies, with the first such session to be held in Rome on 26 October 2015.

Brazil expressed support for the evolving set options. With respect to a possible review by the DC of the quality of activities funded through the Endowment Fund, Brazil suggested to follow more closely the language in the Crop Trust Constitution with respect to the DC's role, i.e. for the DC to "express views on the overall operation of the Crop Trust".

Canada expressed satisfaction with the direction of the evolving discussions on the DC governance role. Canada highlighted the need for accountability and the focus on results, with associated results-based reporting at the outcome level, and it asked whether the DC should have a role in performance monitoring. Crop Trust Management fully acknowledged the importance of this question and suggested a follow-on dialogue, recognizing at the same time the role of the Executive Board in the governance structure which includes to set strategy for the organization and to review outcomes and effectiveness.

Canada inquired whether membership in the DC would be based solely on financial contributions above a certain threshold. Management responded that, effective January 2015, a USD 250k minimum threshold applies for contributions from new private partners to be represented in the DC, yet that there was no minimum threshold for contributions from government donors.

Australia expressed overall satisfaction with the DC governance options under consideration and pointed to the need to keep the role of the DC separate from that of the Executive Board, as set out by the Crop Trust Constitution. Within these parameters, the DC should consider how it could contribute to reviewing the quality of what is being funded by donors' contributions. This could be done through a dedicated DC meeting or another Stakeholder Discussion. Lessons could possibly be drawn from governance discussions at other multilateral fora, such as ECOSOC.

Germany provided written comments on the updated Concept Note on DC governance, which Management will take into account in its further revisions of the note.

Spain commended Crop Trust Management for providing a wealth of useful information at today's Stakeholder Discussion and the DC meeting. Spain asked about the institutional relationship between the governance of the Crop Trust Endowment Fund and that of the International Treaty's Benefit-sharing Fund (BSF). The Secretary of the Treaty responded that donors' views were represented in both governance structures, i.e. through the DC in the case of the Crop Trust Endowment and through the High-level Task Force of the Treaty in the case of the BSF.

Brazil inquired about the next steps to develop the DC governance options. The DC Chair responded that he and Crop Trust Management will reflect the comments received at today's meeting and circulate a revised Concept Note, for further inputs from all DC members, with a view to reaching consensus by the next scheduled DC meeting on 26 October 2015.

Global Crop Diversity Trust

12th Meeting of the Donors' Council, Rome, 18 May 2015

List of Attendees

Current Donors and Donor Council Members:

Jaap Satter (Chairperson of the Donors' Council, The Netherlands)
Samuel Beever (Australia)
Larissa Maria Lima Costa (Brazil)
Michael Gort (Canada)
Heiner Thofern, Alper Tasdelen (Germany)
Claudia Grosso (New Zealand)
Jostein Leiro (Norway)
Santiago Menéndez de Luarca (Spain)
Christina Blank (Switzerland)
Ilse van Dijk (The Netherlands)
Maria Adelaide D'Arcangelo (USA)

Observers from Prospective Donors and Partners:

Carlos Amaral (Angola)
Andrea Silvina Repetti (Argentina)
Ana Fraile Vasallo (European Union)
Yusral Tahir (Indonesia)
Shakeel Bhatti (ITPGRFA)
Rasmi Mahmood (Oman)
Stella Chirinos (Peru)
Kirill Antyukhin (Russia)
Narumon Wiangwang (Thailand)
Sompong Nimchuar (Thailand)
Federica Vejchi (Thailand)

Crop Trust Staff:

Marie Haga, Executive Director
Michael Koch, Director of Finance and Secretary of the Donors' Council
Luigi Guarino, Senior Scientist
Nella Bause, Corporate Operations Assistant

Global Crop Diversity Trust

2nd Global Stakeholder Discussion and 12th Donors' Council Meeting

7 May 2015, 14:00-17:00 hrs, FAO Headquarters, Lebanon Room, Rome, Italy

Agenda

- 13:30 Registration and Coffee
- 14:00 **Stakeholder Discussion:** Accelerating and improving the crop breeding process through better available information and by adding genetic diversity through crop wild relatives
- Genesys global portal to data on genebank holdings
 - Diversity Seek (DivSeek) Initiative
 - Crop Wild Relatives Project
- 15:45 **Donors' Council Meeting** (open to current and prospective donors)
- Reporting back from the Crop Trust Executive Board meeting held in Lima, Peru on 17-18 March 2015
 - Preparations for the April 2016 Crop Trust Pledging Conference, and review of financial modalities for countries contributing to the Crop Trust Endowment Fund
 - Review of revised Concept Note on the Governance Role of the Donors' Council
- 17:00 Adjournment of Meeting

Background Papers:

(a) Stakeholder Discussion

1. Global Information System (GeneSys and DivSeek): Two contributions to an integrated, global, accession-level information system for *ex situ* conservation
2. Crop Wild Relatives: Adapting agriculture to climate change - A global initiative to collect, conserve, and use crop wild relatives
3. Crop Wild Relatives: A prioritized crop wild relative inventory to help underpin global food security

(b) Donors' Council Meeting

1. April 2016 Crop Trust Pledging Conference: A donor guide to Crop Trust Endowment Contributions
2. Donors' Council Governance: Revised Concept Note

Global Crop Diversity Trust

11th Meeting of the Donors' Council, Rome, 3 November 2014

Minutes

The Donors' Council (DC) of the Global Crop Diversity Trust ('Crop Trust') met on 3 November 2014 at FAO Headquarters in Rome, Italy. The meeting was chaired by Germany. It was attended by representatives of current donors of the Crop Trust, prospective new donors, and partners from the FAO and the International Treaty on Plant Genetic Resources for Food and Agriculture.

Annex 1 provides the list of Attendees at the meeting. Annex 2 shows the Agenda and Annex 3 the Summary Report from the meeting to the Executive Board of the Crop Trust. Annex 4 provides a list of Due Diligence Principles for Private Donors. *(Note: Annexes are not included here.)*

1. Welcome, Introduction and Adoption of the Agenda

Crop Trust Executive Director Ms. Haga and Donors' Council Chairperson Ms. Kosak welcomed participants to the 11th meeting of the Donors' Council. The meeting Agenda was adopted as proposed, with an addition to Item 7 (Any Other Business) to include a discussion of the role of the Donors' Council in the governance of the Crop Trust. The minutes of the 10th meeting of the Donors' Council, held on 21 October 2013, were adopted without change.

2. Science Report

Ms. Lusty, Genebank Programme Coordinator at the Crop Trust, reported on the Crop Trust's scientific and technical work, including: monitoring and improving performance and efficiency in the management of international crop collections through the Genebanks CGIAR Research Program (CRP) and long-term grants from the endowment; collecting and pre-breeding of crop wild relatives (CWR); developing platforms for sharing and improving the quality of crop diversity data through GeneSys and the DivSeek Initiative; and prioritizing global actions to conserve crop diversity through Crop Advisory Committees.

The Bill & Melinda Gates Foundation commended Ms. Lusty for her presentation and highlighted the importance of establishing performance indicators for genebanks. There was a concern that references to genebanks should be prominent in the CGIAR's Strategy and Results Framework, and in the next round of CRPs, while genebanks may lose their status of a separate CRP after 2016 when the current Genebanks CRP expires.

Australia pointed to its support for the Crop Trust, referring to funding provided by the Grains and Research Development Corporation (GRDC), also the endorsement of DivSeek during Australia's presidency of the G20 and the important role that the initiative will play in the implementation of Article 17 of the International Plant Treaty. DivSeek was noted as a good example of collaboration between the Crop Trust and the Treaty.

Australia made note of references made to the agricultural and economic impact in Ms Lusty's presentation and urged the Crop Trust to continue highlighting development results in the lead up to the planned donors' pledging conference in 2016. In this connection Australia also welcomed dialogue on Crop Trust governance arrangements.

Norway expressed satisfaction with the quality of the Crop Trust's scientific work and highlighted the value of the DivSeek initiative. Results arising from the DivSeek partnership needed to remain in the public domain.

Canada raised questions on the indicators of availability and quality management of genebanks, asking which elements of genebank operations were involved. Canada also queried on the allocation

of genebank budgets and the relationship with performance, including on the possible need to reduce or freeze allocations in view of a possible lack of performance.

Ms. Lusty explained that the Crop Trust was adopting a holistic approach to quality management, rather than pursuing ISO or a similar formal certification. This approach ensures that all genebank operations and policies are being reviewed, documented and progressively improved as part of a dedicated quality management system. She explained that fixed budget allocations are derived from a comprehensive costing study, and that allocations are intended to cover only routine genebank operations. In the review process, backlogs and issues are identified and remedial actions are recommended. CGIAR Centers are requested to develop an action plan for addressing the recommendations, and this follow-through is supported with additional funds through the Genebanks CRP.

Ms. Haga recognized donors' need for comprehensive evidence on the agricultural, economic and development impact of genebanks and the Crop Trust's associated work. The Crop Trust has developed crop impact stories to this effect, with more work to follow. There will also be a discussion with the Executive Board to explore ways of better demonstrating impact. Ms Lusty highlighted the value that crop genebanks bring to plant breeding efforts; the uniqueness of the material that genebanks manage; and the ability to access vast numbers of crop accessions for large-scale screening. The Crop Trust intends to hire a specialist to help analyzing and illustrating these unique attributes of global crop genebanks.

The Netherlands acknowledged the progress the Crop Trust is making in communicating impact, including through projects such as DivSeek. There was a question about how farmers are benefiting directly from genebanks, and how the Crop Trust's work relates to better nutrition. A query was also made concerning the status of ICARDA's crop collections in Aleppo, Syria.

Ms. Lusty referred to the impact pathways of different crops, mentioning that crops like rice and wheat have long and well-developed impact pathways, which may also position the genebanks further from farmers. Other crops have short impact pathways, such as forages and yams, with genebanks having a more direct interaction with farmers, and with related information and resources catering closely to farmers' needs.

Ms. Lusty confirmed that ICARDA was functioning at near normal level, despite the precarious security situation in Aleppo. Approximately 75% of the regular levels of crop regeneration at Aleppo had taken place this year, in sites in Morocco and Lebanon. There was still limited access to the collection in Aleppo, while cold room conditions were being maintained. Nearly all elements of the Aleppo crop collection have been backed up in the Svalbard Global Seed Vault.

Germany congratulated the Crop Trust on its work in developing performance indicators for genebanks and noted its online reporting tool as a further step forward. Questions were raised on the evolution of genebank operating costs, also where additional resources would come from to cover rising routine costs and the cost of upgrading genebanks. There were further questions on the reluctance of project partners to use the SMTA in the CWR project; on the Crop Trust's work in pre-breeding; the Crop Trust's specific role in the DivSeek initiative; the Crop Trust's partnership with the International Plant Treaty and the Commission on Genetic Resources for Food and Agriculture (CGRFA); and the development of user groups. Reference was also made to Brazil's recommendations at the 10th Donors' Council Meeting to maintain a roster of scientific experts.

Ms. Lusty explained that the Genebank CRP includes a component of work for upgrading and optimizing the performance crop collections. Negotiations with countries to partner in the CWR project are taking time yet are progressing steadily. Ms. Lusty mentioned that the Crop Trust's work on pre-breeding was not new as there had been a component on this in a previous project funded by the Bill and Melinda Gates Foundation. She explained that genebanks employ pre-breeding to uncover traits and characteristics in parts of their collections that breeders would not otherwise know about or pursue for use; this was a complementary approach to that of the breeders. Ms Haga mentioned that Paul Smith, former head of the Millennium Seed Bank at Kew Gardens in the UK, will be designing a roadmap for the development of Crop Advisory Groups.

Mr. Daniele Manzella, Joint Liaison Officer of the Treaty and Crop Trust, responded to questions on the SMTA by saying that discussions in the Working Group of the Treaty on this subject were ongoing. Regarding DivSeek governance, he pointed to the joint Facilitation Unit that the Crop Trust and the Treaty are establishing to manage DivSeek.

Brazil stressed the need for capacity building in national crop collections. Support was expressed for stronger collaboration between the Crop Trust, the International Plant Treaty and CGRFA, with possible joint presentations or reports to be prepared for future meetings. The Brazilian representative conveyed the commitment of the President of Embrapa, Dr. Mauricio Lopez, to the partnership with the Crop Trust.

The Chair of the Governing Body of the International Plant Treaty made a statement expressing the desire to increase communication and collaboration with the Crop Trust. He also referred to the Benefit Sharing Fund (BSF) of the Treaty and its reliance on voluntary contributions. He stressed the complimentary roles of the BSF (for in situ crop conservation) and the Crop Trust Endowment (for ex situ crop conservation).

3. Donor Engagement Report

Mr. Koch, Director of Finance of the Crop Trust and Secretary of the Donors' Council, provided two presentations, covering the current and planned donor engagement of the Crop Trust and outlining the finance and investment report to the Executive Board.

Regarding donor engagement, Mr. Koch highlighted the priority of funding the Crop Trust endowment over funding of short-term projects. He summarized the fundraising targets of the Crop Trust, i.e. increasing the endowment fund from currently USD 180 million to USD 500 million by early 2016 under Phase 1, and further to USD 850 million by end of 2018 under Phase 2. Investment income from the endowment will provide long-term sustainable funding to the international crop collections maintained by the CGIAR and other partners that are protected under Article 15 of the International Plant Treaty, under Phase 1; and long-term funding for selected other essential regional and national crop collections holding the 25 priority crops protected in Annex 1 of the Treaty that are critical for food security in least developed countries, under Phase 2. Phase 2 will also provide permanent funding of the running costs of other key elements of the Global System for the conservation of the world's crop diversity, including Information Systems and the Svalbard Global Seed Vault in Spitsbergen. Furthermore, the Crop Trust undertakes selected short-term projects to address critical constraints to the development and functioning of the Global System for crop diversity.

Mr. Koch referred to the increase of the Crop Trust endowment from USD150 million in October 2013 to USD 180 million at present. The Crop Trust withdraws up to 4% annually from the endowment for the funding of crop genebanks, while also preserving the real value of the endowment against USD inflation. Thus far, sovereign countries have provided more than 90% of the resources in the endowment.

The Crop Trust is using a range of funding approaches, including a fair opportunity-sharing approach for the endowment between some 50 nations that reflects the size and per capita income of a given country, thus building a global coalition of nations to protect the global common good of crop diversity. The Crop Trust is also contacting wealthy individuals and is approaching foundations, companies and financial intermediaries, including through innovative financing solutions.

Mr. Koch made reference to the current support by the Norwegian Government to the Svalbard Global Seed Vault, and the expectation that the Crop Trust will take over the responsibility of financing the Vault over the long term, through the endowment.

Mr. Koch discussed the road map for donor engagement over the coming 15 months. There will be two Stakeholder Discussions, in January 2015 in Berlin and by about June 2015, possibly in Rome. The meetings will cover the scientific aspects of the Crop Trust's work. In October 2015, there will be the next annual meeting of the Donors' Council.

Mr. Koch reaffirmed plans for the international donors' pledging conference to be held in the first half of 2016 to fund Phase 1 of the endowment. He suggested that current and prospective donor governments should plan for providing an up-front financing commitment to the Crop Trust, between now and latest by early 2016, as part of donors' 2015 and/or 2016 national budgets. All funds committed to the Crop Trust since October 2013 will be counted as contributions in the lead up to the pledging conference in early 2016. The Crop Trust has hired a global media firm for the implementation of an 18-month communications strategy towards the international donors' pledging conference.

With new private donors expected to support the endowment, the Donors' Council endorsed raising the representation threshold for new private donors at the Donors' Council to USD 250,000, effective January 2015, and to apply due diligence procedures for new private donors contributing at least USD 25,000.

Canada acknowledged the importance of the Crop Trust's value proposition, and suggested adding to it the Crop Trust's future role in implementing the forthcoming post-2015 UN Sustainable Development Goals. Canada proposed the need for a set of policy principles to support the due diligence questionnaire for new private donors; these due diligence principles have subsequently been prepared by the Crop Trust Secretariat and are attached in Annex 4 of these Minutes.

The International Seed Federation confirmed the commitment of the seed industry to the Crop Trust and the International Treaty and called for further cooperation between both.

Germany reaffirmed its commitment in supporting the Crop Trust as the host country of the Crop Trust Secretariat. Germany, Brazil and others suggested exploring further options for joint donor engagement between the Crop Trust and the International Treaty, including consideration to be given to a joint fundraising strategy.

4. Finance and Investment Report

Mr. Koch summarized the investment management and return performance of endowment portfolio. He referred to current market conditions that pose challenges to achieve the target return of 4% per year plus US dollar inflation going forward. He summarized the recent asset allocation review for the endowment, with the goal of achieving a satisfactory portfolio return going forward. Mr. Koch highlighted expected savings on asset management fees resulting from a direct hedge funding investment instead of continuing to use a fund-of-funds approach. The Crop Trust intends to tender for its investment adviser contract by mid-2015.

Mr. Koch provided an overview of the 2014 and 2015 budgets of the Crop Trust, with a small surplus projected for 2014 and the expectation of a balanced budget for 2015. Program expenditures in 2015 are expected to increase considerably as the Crop Wild Relatives Project will gain momentum, with further countries expected to enter into crop collection agreements. Mr. Koch confirmed management's intention to continue to limit withdrawals from the endowment fund to 3.5% per year, below the 4% threshold.

Mr. Koch informed about selected new financial policies and procedures of the Crop Trust, referencing an institutional overhead charge capped by policy at 15%, a corporate credit card policy, and hospitality and entertainment policy.

The Netherlands urged caution in the use of hedge funds given potential reputational issues and requested to receive further information on this topic.

5. Donors' Council: Elections and Appointments

Donors' Council members elected The Netherlands to assume the role of DC Chair, and Germany to assume the role of DC Vice-Chair, effective immediately. Moreover, members appointed Mr. Alexander Mueller, nominated by Germany, to the vacant fourth seat on the Executive Board for members appointed by the Donors Council. In addition, DC members recommended that the Executive Board appoint Mr. Knut Storberget, nominated by Norway, to the second vacant seat on

the Executive Board for additional members appointed by the Board to ensure overall balance among its membership.

6. Donors' Council Report to the Executive Board

A Summary Report of the meeting was drafted by the Secretary of the Donors' Council based on input from meeting participants. It is enclosed in Annex 3. The Report was subsequently presented to the Executive Board of the Crop Trust at its meeting on 6-7 November 2014.

7. Any Other Business

The DC endorsed the suggestion by the Chairperson and Crop Trust management to prepare a concept note on establishing an ad hoc working group on the role of the Donors' Council in the governance of the Crop Trust. As the endowment fund is expected to increase, donors would have an interest to engage more closely, and more frequently, on the scientific and financial work of the Crop Trust. This concept note, to be prepared within one month, will serve as the basis for comments from donors and partners. This process will lead to decisions on governance at the Donors' Council in October 2015.

Global Crop Diversity Trust

Reporting back from the Crop Trust Executive Board meeting held in Lima, Peru on
17-18 March 2015

Oral Report by the Chairperson of the Donors' Council, delivered on 18 May 2015

- The Executive Board meeting in March 2015 was held at the International Potato Center (CIP) in Lima, Peru. Board members also visited the extensive potato genebank of CIP.
- The Board welcomed the 2 new members that the Donors' Council nominated to the Board at the DC meeting in November 2014, namely Alexander Mueller of Germany and Knut Storberget of Norway.
- The International Plant Treaty attended the Board meeting. The Board discussed current cooperation between the Crop Trust and the Treaty Secretariat, including the desire for greater reciprocity between the two organizations. A joint document on fundraising is being prepared. The position of the Joint Liaison Officer should be re-appointed shortly.

Building the Global System of Crop Diversity

- The Board reviewed plans for the Crop Trust to build the Global System of Crop Diversity. The Crop Trust has focused to date on supporting international collections under Article 15 of the Treaty, ensuring their sound management and their long-term financing. The next step will be to identify national collections as part of a rational, effective and cost-efficient global system.
- The Crop Trust outlined the architecture of the global system to conserve crop diversity, including these elements: a policy framework (i.e., the International Treaty); agreed global genebank collections (i.e., the Article 15 collections, plus a strategy for adding further national collections to cover the Annex 1 crops); an ultimate safety back-up (i.e., the Svalbard Global Seed Vault); information systems (including the Treaty Global Information System, Genesys, DivSeek); and management and coordination structures (currently: the CGAIR Research Program on Genebanks).
- Agreed performance indicators serve as benchmarks for each eligible genebank in their ongoing operation, to ensure that plant genetic material held is alive, disease-free, available in sufficient numbers for distribution, properly documented and safety backed-up.
- To add selected national crop collections for support by the Crop Trust, four criteria are proposed: global significance of the collection; collection accessibility; institutional capacity to conserve, manage and supply material; and geopolitical and financial risk.
- Board members stressed the need for transparency and credibility in genebank performance management and oversight. They asked about the governance structure of the global system and the role and influence of the Crop Trust in the oversight of the international genebanks. Quality management systems should be internalized into genebanks' own systems, rather than the Crop Trust being seen as imposing external bureaucratic requirements and overburdening genebanks. Crop Trust management responded that cooperation with genebanks is close and based on a strong, mutually-beneficial partnership.
- There was a comment on the need for advocacy by national governments for support to their own genetic resources programs, complementing the work of the Crop Trust. Crop Trust management echoed this need, while also highlighting the role of genebanks themselves for advocacy with national governments and with international donors.
- There were questions as to how to manage Upgrading Projects for genebanks in case these do not work out well. Stopping funding will not be a realistic option. Crop Trust management responded that we will need careful drafting of grant documents for upgrading projects.

Transparency on genebank performance will be important. Some collections may be relocated as a result of efforts to improve their conservation.

- With respect to national collections, there is a risk of raising unrealistic expectations for future financial support by the Crop Trust. Crop Trust management responded that there is a set funding envelope for national collections and a process for selecting such collections within that budget, according to agreed procedures.
- A comment was made that, if and when the Crop Trust endowment has been built up to the target level, recognition will be needed that “the global system” is not yet fully funded, as there is a need for also financing the work of in situ conservation globally.
- In conclusion, the Board commended Crop Trust management for their conceptual work on funding global system collections in a two-tier structure, and on adding national collections for future support. They endorsed both.

Governance, Finance and Other Matters

- The Board reviewed the Concept Note on the role of the Donors’ Council in the governance of the Crop Trust. The Board welcomed the increased donor attendance at DC meetings. The Board also welcomed proposals for holding 2 regular DC meetings per year, and to hold once per year a joint session of the DC with the Executive Board. The first such joint session is envisaged for Monday, 26 October 2015 in Rome. This would also be the proposed date for the next regular DC meeting.
- The Board discussed the partnership work needed leading up to the April 2016 Crop Trust Pledging Conference in Washington, DC. The governments of Germany and Norway are co-chairing the event at ministerial level, with addresses at the conference from the World Bank/ CGIAR Fund Office and the United Nations. What is needed now is to create strong momentum for the conference.
- The Board reiterated the need for a clear value proposition for target audiences, i.e. what the Crop Trust is doing and why it is being done. Some members suggested quantifying the value of agricultural biodiversity in economic terms, with others cautioning that such valuations often range widely. The Crop Trust will soon be engaging a staff member to work on this valuation challenge of genebanks. It was suggested that the Crop Trust website should offer a repository of related articles on the economic value to society of crop diversity. Board members also discussed their own role in creating momentum for the pledging conference in their home countries.
- Regarding Finance Matters, the Board took note of reports on the investment performance of the Endowment; approved the process for finalizing the Crop Trust 2014 Financial Statements; endorsed a revised Charter for the Finance and Investment Committee of the Board; took note of plans to tender out the services of the Crop Trust investment advisor during 2015; and took note of the ongoing work of Crop Trust management with Deutsche Bank to establish an investment vehicle for high-net-worth individuals.