



Minutes of the 15th Meeting of the Donors' Council of the Global Crop Diversity Trust

21 October 2016, Rome, Italy

The Donors' Council of the Global Crop Diversity Trust ('Crop Trust') met on 21 October 2016 at FAO Headquarters in Rome, Italy. The meeting was chaired by the Netherlands and attended by representatives of current and prospective donor parties as well as multilateral partners. Annex 1 provides the list of attendees. Annex 2 shows the meeting agenda. Various background papers were issued to invitees prior to the meeting.

1. Introductions and Adoption of the Agenda

The Chair opened the meeting, extending a special welcome to the Interim Secretary of the International Treaty on Plant Genetic Resources for Food and Agriculture and the Vice-Chair of the Crop Trust Executive Board.

The Chair recalled that this 15th meeting of the Donors' Council was the first formal gathering of donors since the Crop Trust Pledging Conference that took place 15 April 2016 in Washington, DC. The goal of the meeting was to take stock of progress since this event and to review the future strategic direction of the Crop Trust. The Chair recapped the Crop Trust mission as being essential for present and future generations and reiterated the need to raise crop diversity protection on the international policy agenda.

Crop Trust management provided an overview of the organization's governance, highlighting that the Donors' Council was asked to come to a decision at this meeting on two specific topics: on an offer for concessional donor loan, and on two re-nominations by the Donors' Council to the Crop Trust Executive Board.

The Chair opened the floor for approval of the meeting agenda and previous meeting's Minutes. The Minutes of the 14th meeting of the Crop Trust Donors' Council held on 2 February 2016 were adopted. The Council agreed to add the topic *Implementing the International Treaty Governing Body's Policy Guidance* under the last agenda item, Any Other Business. The meeting agenda was adopted.

2. Report on the Crop Trust Pledging Conference held on 15 April 2016

Crop Trust management reported back from the Pledging Conference held on 15 April 2016 in Washington, DC, coinciding with the World Bank/IMF Spring Meetings. Nearly 60 participants attended the conference, from governments and private partners, to raise new commitments for the Crop Trust Endowment Fund. The event was co-chaired by the Governments of Germany and Norway and featured a welcome address by the President of Mauritius, Her Excellency Ameenah Gurib-Fakim, and a keynote addresses from the Deputy Secretary General of the United Nations, Ambassador Jan Eliasson. The event led to an increase of the Endowment beyond USD 180 million thus far, and helped pave the way for an eventual doubling of the size of the Endowment to about USD 314 million; total cumulative financial support to the organization (including for the endowment, projects and operational support) surpassed USD 500 million in pledges.

Management explained that the Pledging Conference led to significant momentum in further contributions to the Crop Trust since April 2016. The Chair from the Netherlands added to this momentum by announcing a EUR 6.2 million contribution to the endowment of the Crop Trust during this part of the meeting.



Management also stressed the need to mobilize further resources in support of the annual operational expenditures of the Crop Trust, including for 2016 where a funding gap of USD 1.9 million remains vs. the planned donor support of USD 2.5 million for this purpose. In 2016, total operational expenditures amount to USD 2.8 million or 7.8% of all expenditures of the Crop Trust; these resources are drawn from the endowment unless donor funding becomes available.

3. Revised Crop Trust Work Plan & Strategic Results Framework

Management introduced the updated Strategic Work Plan 2017-2020. This document is in draft form, pending further feedback from donor partners and the Executive Board. The work plan aims to more closely align the organization's goals and results with agreed international policy frameworks, such as UN Sustainable Development Goal Target 2.5, the Aichi Biodiversity Targets and the Paris Climate Agreement. This document lays out the revised and diversified fundraising strategy of the Crop Trust, following the Pledging Conference. The scientific work agenda is being broadened to offer support to selected national crop collections, in addition to the international collections included under Article 15 of the International Plant Treaty, and to pre-breeding. Results targets outlined in the work plan and the associated new Strategic Results Framework will facilitate measuring progress and maintaining accountability of the Crop Trust vis-a-vis donors and other partners.

Donors commended management on the structure and clarity of the work plan and Strategic Results Framework. The version presented incorporated previous feedback from select donors, which was appreciated. Management responded to queries from donors for further context on the fundraising goals of the organization. Donors also inquired about the planned selection process for national crop collections, also in relation to the existing crop-specific strategies. Management referred to the eligibility criteria under the National Collections Strategy of the Crop Trust, and explained that external experts funded by KfW of Germany are currently performing an assessment of which crops and national collections to target for possible near-term support. Donors encouraged the Crop Trust to work on this topic in consultation with other multilateral partners in the agricultural arena, including FAO and the International Plant Treaty.

4. Update on Finances: Institutional Budgets, Endowment Fund

Management presented a review of current and projected finances for the institution, including revised budgets for 2016, multi-year budgets through 2019, and performance of the Crop Trust endowment fund. The Crop Trust also circulated to the Donors the draft Finance & Investment Committee minutes of 5 October 2016. The revised budget and multi-year budgets reflect the updated Strategic Workplan and the key objective is to protect the endowment fund by seeking out Donor support for operational expenditure rather than withdrawing income from the endowment fund.

Management highlighted that the Crop Trust is a signatory to the UN Principles of Responsible Investment and is currently working with the two asset managers on a comprehensive set of Environmental, Social and Corporate Governance (ESG) guidelines for the endowment fund's investment strategy.

The Donors received the Crop Trust's draft Procurement Policy which was due to be approved by the Executive Board at its meeting on 24 October 2016. The purpose of the Procurement Policy & Procedures Manual is to ensure that the procurement of all supplies and services is conducted in an honest, competitive, fair and transparent manner that delivers the best value for money outcome whilst at the same time protecting the reputation of the Crop Trust, taking into account the required specification, quality, service, delivery, reliability, environmental and social issues and the total cost.



5. For Approval: Proposed Concessional Donor Loan from KfW

Following the approval of the Concessional Borrowing Framework presented at the 13th meeting of the Donors' Council in October 2015, the Crop Trust introduced the terms of the first loan offer received from KfW of Germany, as laid out in detail in the background document issued on this topic for this meeting. Management explained in particular the need to mobilize an additional donor grant so as to reduce the interest rate proposed on the loan and to make the loan offer viable for the Crop Trust and its donor partners. Management also explained that with such an additional grant, the loan could offer substantial financial value to the Crop Trust and it could also have a signaling effect on possible further concessional donor loans.

In response to questions from donors, it was clarified that there would be no currency risk associated with this concessional loan offered in Euros, as the loan proceeds would be invested in Euros, investment income earned would be applied against Euro-denominated expenditures of the Crop Trust, and the loan would be repaid from the Euro-denominated investments made. The representative from KfW responded to a question from donors as to the fee structure under the loan offer, which include refinancing costs, the cost for a German federal guarantee on the loan, residual risk costs, and operational costs. He added that KfW will not make a profit on the proposed loan.

One donor informed that they intend to solicit further information from the Crop Trust before being in a position to agree to the concessional donor loan offered by KfW. The Donors' Council approved that the Crop Trust may contract the KfW concessional loan subject to final confirmation by the donor referenced in the prior sentence (and which that donor subsequently provided to the Crop Trust) and subject to securing an additional donor grant in order to reduce the interest cost on the KfW loan by at least half, to 0.5% per year, and preferably down to an interest cost of nil.

6. Update on Proposed Agreement on Privileges and Immunities

At the 13th meeting of the Crop Trust Donors' Council, management received approval to circulate the proposed draft Agreement on Privileges and Immunities to signatories of the Establishment Agreement of the Crop Trust. This draft agreement was prepared at the request of Germany as host country to the Crop Trust Secretariat, with the objective that all signatories of the Crop Trust Establishment Agreement should provide similar privileges and immunities to the Crop Trust as host country Germany as agreed to provide.

Once comments from the 28 countries of the Establishment Agreement will have been received, the suggested process for circulation of the final agreement on privileges and immunities is to include the Director General of the FAO as depository of the Crop Trust Establishment Agreement. At present, the Crop Trust is liaising with the FAO Director General's office for input and approval of this proposed process. It has so far been agreed that the final agreement on privileges and immunities will be translated into all six United Nations languages before final issuance for ratification by countries.

7. Donors' Council Nominations to the Executive Board of the Crop Trust

Management outlined the current composition of the Crop Trust Executive Board, underscoring the 4 positions nominated by the Donors' Council. Of these 4 positions, current Executive Board Chairperson Amb. Walter Fust of Switzerland and Ms. Mary Ann Sayoc of the Philippines have Board terms concluding in 2016. It was explained that the Crop Trust Constitution states in Article 5(4) that Executive Board members are eligible for re-appointment to a second term, but shall not serve more than two consecutive terms. An



exception is made for the member elected as Chairperson, whose term may be extended by the Executive Board for up to a maximum of eight consecutive years on the Executive Board.

The Donors' Council moved by consensus to re-appoint Mr. Walter Fust for one further year (2017) and Ms. Mary Ann Sayoc for three further years (2017-2019) to the Executive Board of the Crop Trust. The Chair of the Donors' Council will advise the International Treaty Secretariat and the Treaty Bureau of the Donors' Council decision.

8. Any Other Business and Conclusion

Upon request from donors, Management gave an oral report on the background document: *Implementing the Governing Body's Policy Guidance*. The Crop Trust responded to questions about the growing partnership with the International Plant Treaty on both scientific grounds and on fundraising efforts. It was agreed that updates by the Crop Trust on this topic and relevant guidance by the Treaty's Governing Body be included in the agenda of future Donors' Council meetings. A comment was made that Crop Trust projects and International Treaty projects – and the related donor funding efforts for these – should complement each other.

The Crop Trust also updated the Donors' Council on the proposed Alliance for Agriculture Biodiversity. Management described the objective to convene a group of eminent people for advocacy of implementation of UN Sustainable Development Target 2.5. The Crop Trust will work with other multilateral, national and private partners to coordinate this proposed initiative, in addition to the United Nations Secretariat. It was also suggested that the Crop Trust should use a standardized reporting format in its collaboration with other organizations.

The Chair thanked all in attendance for their participation and thoughtful inputs. Minutes of this meeting will be circulated for comments to attending donors and partners, along with the presentations shown during the meeting. The Vice-Chair of the Executive Board of the Crop Trust expressed his gratitude for the Donors' Council Chair and the comments and suggestions provided by donors. It was noted that the 16th meeting of the Donors' Council will take place in the morning of Tuesday, 7 March 2017 at FAO Headquarters in Rome. Further information will be issued closer to the date of the meeting.



Annex 1: List of Participants

(a) Donors' Council Members

Australia:	Kristina Gill
Brazil:	Larissa Costa
Canada:	Eric Robinson
Egypt:	Ahmed Shalaby
Germany:	Christoph Kessler, Tobias Kollakowski
Ireland:	Damien Kelly
Netherlands:	Hans Hoogveen (Chair of the Donors' Council), Kim van Seeters
Norway:	Margot Skarpeteig
Spain:	Victoria Pérez Fernández
Switzerland:	Manuel Flury, Michael Würzner
DuPont Pioneer:	Brad Kurtz

(b) Donors' Council Observers

Thailand:	3 observers
FAO:	Irene Hoffmann
ITPGRFA:	Kent Nnadozie

(c) Crop Trust staff

Tim Fischer, Vice Chair of the Crop Trust Executive Board
Michael Koch, Director of Partnerships and Innovative Finance (Secretary of the Donors' Council)
Janet Muir, Director of Finance
Charlotte Lusty, Scientist
Gerald Moore, Legal Advisor
Luis Salazar, Communications Manager
Julia Greene, Partnerships Assistant
Stefan Coroianu, Consultant



Annex 2: Meeting Agenda

**15th Meeting of the Donors' Council
of the Global Crop Diversity Trust**

21 October 2016, FAO Headquarters, Rome, Italy

Agenda

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| 09:30 | 1. | Welcome, introduction and adoption of the Agenda; approval of report from last Donors' Council meeting held on 2 February 2016 |
| 09:45 | 2. | Report on Crop Trust Pledging Conference held on 15 April 2016 |
| 10:00 | 3. | Revised Crop Trust Workplan & Strategic Results Framework |
| 10:30 | 4. | Update on Finances: Institutional Budgets, Endowment Fund |
| 11:00 | 5. | For Approval: Proposed Concessional Donor Loan from KfW |
| 11:45 | 6. | Update on Proposed Agreement on Privileges & Immunities |
| 12:00 | 7. | Donors' Council Nominations to the Executive Board of the Crop Trust |
| 12:15 | 8. | Any Other Business and Wrap-Up |