



# Crop Trust Financing Strategy 2030

## 1. Why Us, Why Now

While the world reels from the effects of COVID-19, the interlinked crises of a rapidly changing climate, food insecurity and biodiversity loss rage on. More frequent and severe weather events and their dire consequences for our world's biodiversity are felt globally, and scientific evidence points to accelerating climate change as the cause. But climate change is not the only factor threatening global food security. More than one billion people live in conflict-affected, post-conflict, or fragile countries. And as resources become scarcer, conflicts are predicted to increase.

The diversity found in our seeds and their wild relatives is the foundation of our global future food supply, and it is irreplaceable. When we lose crop diversity, we lose options to shock-proof our agriculture. If we are to feed tomorrow's children, we must adapt our crops to survive a rapidly changing climate. Only then can farmers improve yields with climate-resistant seeds, and in doing so, improve the lives and livelihoods of not just themselves, but millions of others too.

Out of 20,000 edible plants, and 6,000 that have historically been used as food, fewer than 200 now make a significant contribution to food production, and just nine account for two thirds of our food, according to FAO's *State of the World's Biodiversity for Food and Agriculture*<sup>1</sup>. And the genetic diversity within those nine, and many others too, is being eroded in many places around the world. Yet it is only through conserving and using crop diversity that we can adapt agriculture to climate change and sustainably produce sufficient and sufficiently nutritious food for an increasing global population in the face of multiple crises.

### 1.1 Crop Trust's holistic approach

The global system of conservation of crop diversity relies on the Crop Trust in a number of ways. The Crop Trust's Endowment Fund is uniquely designed to generate a reliable, sustainable and long-term flow of financial support for eligible genebank collections of crop diversity. These grants meet the core operational expenses at key genebanks and form a systemic financial backbone of long-term support. In addition, the Crop Trust works closely to support genebanks with potentially eligible collections in making upgrades to meet standards of operation that will allow them to become eligible for long-term maintenance grants. Through other keystone projects, the Crop Trust also actively strengthens additional regional and national genebanks to help secure and utilize hundreds of thousands of crop varieties. Across all its activities, Crop Trust partners with many organizations around the world to identify adaptable, resilient and nutritious crop varieties and make them accessible to breeders, researchers, and farmers.

### 1.2 A proven financial model

Since its founding, the Crop Trust has been able to establish an impressive track record of providing funding for the long-term conservation of crop diversity housed in international collections. By the end of 2022, donors have contributed more than USD 253 million to the

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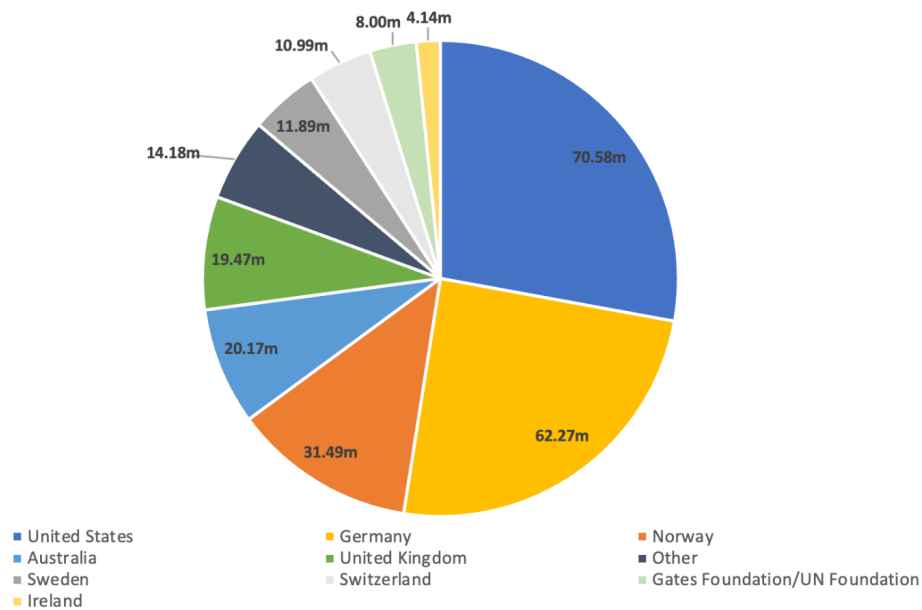
<sup>1</sup> FAO. 2019. *The State of the World's Biodiversity for Food and Agriculture*. J. Bélanger & D. Pilling (eds.). FAO Commission on Genetic Resources for Food and Agriculture Assessments. Rome.



endowment, and over USD 74 million has been withdrawn between 2005-2022 to support the mission of the Crop Trust. Despite this considerable withdrawal, the equity tied up in the endowment is above the total amount of capital contributions, thanks to a sound, risk-conscious and highly diversified investment policy that also considers environmental, social and governance (ESG) criteria.

These long-term grants directly support the global genebank network. For example, the 11 international CGIAR genebanks, which have collectively received about USD 45 million from the endowment since 2005, conserve over 700,000 seed samples and have distributed nearly 1 million samples to 166 countries since 2012 alone.

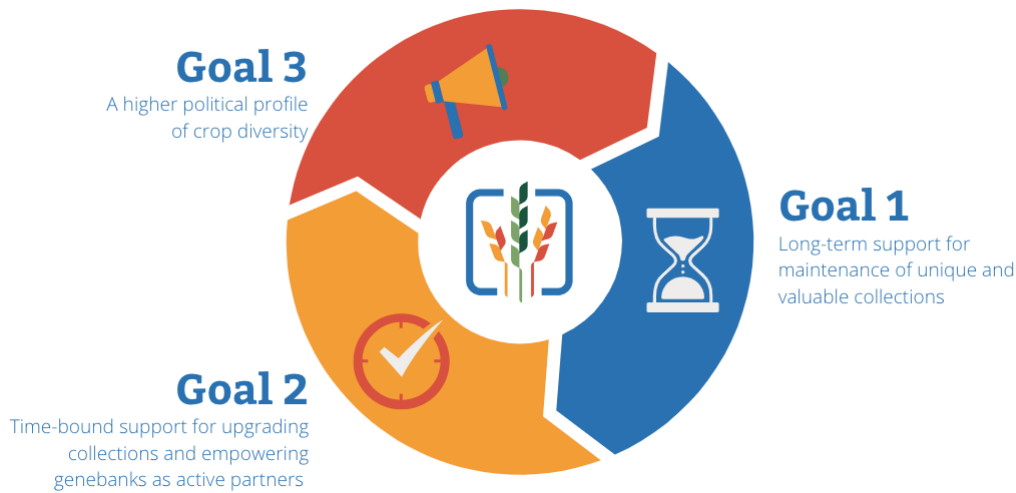
Contributions to the endowment 2003-2022 (in USD million)



### 1.3 The policy nexus of climate change, food security and biodiversity loss

The Crop Trust's work is positioned at the heart of the global policy dialogues around climate change, food security and biodiversity conservation and use. Ongoing discussions under relevant policy frameworks, such as the International Plant Treaty<sup>2</sup>, UNFCCC and Convention on Biological Diversity all underline the importance of a systemic change towards more sustainable and resilient food systems globally. Systemic change needs systemic interventions, and this is exactly what a focused, global, multilateral player like the Crop Trust brings to the table. As outlined in greater detail in the Crop Trust 2030 Institutional Strategy, there are three powerful pathways to ensure that crop diversity is an effective component in securing the world's future food supply.

<sup>2</sup> For more information see: <https://www.fao.org/plant-treaty/en/>



## 2. Financing Priorities

The Crop Trust pursues a two-pronged approach when it comes to fundraising and financing - the endowment mechanism aimed at long-term support of genebanks (goal 1) and project-based funding for time-bound support to develop and sustain the global system of *ex situ* conservation (goal 2).

### 2.1 Endowment fund

The endowment needs to be strengthened to yield USD 34 million annually, which will meet the core long-term funding needs for the essential operations of key genebanks around the world, including the Svalbard Global Seed Vault, and additional system-wide support. In order to generate this level of annual income, the endowment fund needs a market value of USD 850 million in combination with an investment strategy yielding an annual average return target of 4% p.a. plus the rate of US dollar inflation<sup>3</sup>.

The essential operations of international genebanks will continue to be the highest priority for long-term funding, essentially those currently described under Article 15<sup>4</sup> of the Plant Treaty, and the Svalbard Global Seed Vault. The following table illustrates the amount of annual funding that would be available for withdrawal and planned allocations, depending on varying levels of total endowment funding.

<sup>3</sup> The maximum withdrawal in % (and corresponding funding items) is applied to the moving average of the endowment market value in the previous 12 quarters. Assuming a linear growth of the market value, this leads to a time-lag of 6 quarters, i.e. one and a half years after the corresponding target endowment market value has been reached.

<sup>4</sup> <https://www.fao.org/3/i0510e/i0510e.pdf>



**Crop Trust Endowment and Indicative Annual Funding from its Income  
(USD m in 2022 prices)**

	Level 1	Level 2	Level 3
<b>Endowment market value</b>	500	625	850
<b>Total withdrawal p.a. (4%)</b>	20	25	34
<i>Thereof:</i>			
- International collections	15	20	20
- Other collections	0	0	8
- Coordination and system-wide support	1.5	1.5	2.0
- Partnerships and awareness raising	1.7	1.3	1.0
- Management and general services	1.8	2.2	3.0

## 2.2 Project-based support

The Crop Trust has successfully raised and disbursed significant project and program funding to address key priorities for the global *ex situ* conservation system, including partnerships with national genebanks. Project funding continues to address specific aspects of building the global system and is complementary to the core funding from the endowment's investment income.

These fixed-term initiatives build capacity and partnerships in the conservation, characterization, and use of crop diversity. To date, the Crop Trust has received over USD 300 million from more than 25 donors to invest in 40 projects and programs in the field of conserving and increasing access to crop diversity. This amount includes approximately USD 195 million from CGIAR donors to contribute to CGIAR genebank core operational costs.

Project support for upgrading collections and empowering genebanks as active partners in creating diverse, sustainable, and resilient food systems is a strategic goal of the Crop Trust. To successfully fulfill its mission and in line with its dual funding approach, the Crop Trust raises project funds to finance time-bound tasks with international and national genebanks in two areas:

- Activities that are core to conservation in genebanks, including upgrading facilities so that genebanks can meet agreed standards to become eligible for maintenance grants, monitoring threats to crop diversity, and collecting and conserving threatened resources in genebanks as appropriate
- Activities that focus on better availability of crop diversity and link genebanks with users, including both farmers and breeders, aiming to strengthen the role of genebanks as active partners in creating more diverse, sustainable, and resilient food systems.

All projects are developed and implemented in close collaboration with international, regional and/or national genebanks and other relevant stakeholders. Institutional fundraising will primarily target governments as well as multilateral organizations with available funding commitments supporting biodiversity and climate change adaptation.



### **3. Development of the Endowment Fund: The Way Forward**

The endowment fund has achieved significant success since the founding of the Crop Trust. However, if the endowment continued to grow at the current pace, it would not reach maturity until 2050. This is far too slow to win the race against the irretrievable loss of crop diversity to secure the world's food supply. The Crop Trust must accelerate the growth of the endowment to reach a target endowment of USD 850 million, enabling financial support of USD 34 million per year.

After careful consideration and the completion of a feasibility study, the Crop Trust is therefore planning to engage in a systematic major fundraising initiative to support the growth of the endowment over the next seven years. This initiative is expected to help mobilize resources more quickly and provide a strategic focus both internally for staff, and externally for funders. However, such an effort requires a sizable upfront investment by the Crop Trust as well as the dedication and support of all stakeholders and members of the Executive Board.

#### **3.1 Strengthening our strategic fundraising infrastructure**

As part of the fundraising initiative, the effectiveness of the organization's resource mobilization efforts will be increased by strengthening the strategic fundraising infrastructure, with a key focus on processes and policies, such as guidelines related to gift acceptance and an improved fundraising database with the requisite IT support. The applicability, relevance and usefulness of different fundraising vehicles and tools - both old and new - will be assessed, and the necessary policies developed. Strengthening the infrastructure will be complemented by enhancing internal staff capacities through a combination of internal training as well as targeted hiring as needed. In addition, external fundraising consultants will provide overall fundraising counsel, support a donor prospect pipeline, co-develop the fundraising strategy and support development of fundraising proposals, as well as provide training and capacity building.

#### **3.2 A major endowment fundraising initiative**

Fundraising activities will be organized in two components: Component one will comprise of significant commitments for a total of USD 200 - 250 million for the endowment from key donors (mainly governments and foundations). This component will anchor fundraising efforts and be the initial focus of the initiative. The second component for the remaining USD 325 - 375 million will represent donations from a larger population of donors, which could include smaller foundations, corporations and individuals. The annual budget for fundraising approximately USD 1 million for each of the eight years of the initiative.

#### **3.3 A focus on donor stewardship and messaging**

As part of the fundraising initiative, key areas of the Crop Trust's resource mobilization work will be strengthened, specifically donor stewardship and messaging. An endowment fundraising initiative presents an excellent opportunity for the Crop Trust to highlight existing partnerships and funding opportunities and showcase global impact and expertise. It will require increased outreach and engagement to maintain and grow the Crop Trust's sources of funding. The Donors' Council is a key pre-existing group and will be used to enhance stewardship. Furthermore, the Crop Trust's profile will be raised amongst key networks and funders through targeted events. The Crop Trust will create meaningful opportunities to recognize funders, deepen relationships, build champions, and encourage allies to assist



with donor outreach and engagement. Building compelling and effective messaging to raise funds for the endowment will require increased clarity around the need for the endowment mechanism as a long-term solution well-suited for the mission, including more powerful narratives highlighting the impact of the work of the Crop Trust on a human level, especially with regards to food security, nutritional diversity, and cultural values.

### 3.4 Funding sources

In order to reach its fundraising target, the Crop Trust needs to diversify its funding sources. So while public entities will remain a pivotal pillar of funding (i.e. over 95% of current funding contributions to the Crop Trust stem from public entities), going forward foundations, corporations and individuals will be more systematically included in fundraising outreach.

To meaningfully engage private sector actors and mobilize financial support, value propositions will have to be developed to highlight the risks of narrow crop diversity as well as the impact of supporting crop diversity for businesses in their field of action. Such messaging will require some degree of crop-specific tailoring and a focused outreach for the key commodities showing the most interest and suitability for such an approach.

A third target group would be foundations and private individuals for fundraising, which is the most scattered and diverse. Hence, careful market segmentation is required, as well as appropriate instruments and strategies for collecting such donations. Given the available internal resources, the focus is likely to be on passive income generation with scalable instruments for retail donations such as facilitating online donations through the Crop Trust website and strategic broad awareness raising activities. In order to capture philanthropists classified as (Ultra) High Net Worth Individuals, appropriate legacy giving approaches will be considered.

### 3.5 Innovative finance instruments

The Crop Trust is actively exploring innovative finance instruments as part of its financing strategy. Such fundraising instruments will enable the Crop Trust to mobilize additional funding in support of crop diversity over and above the traditional grants for the endowment from public entities. The exploration of such instruments is done by the following:

- conduct periodic landscape analysis to systematically collect and assess potential novel fundraising instruments and donor types
- collect in-depth market feedback and pilot test high-priority approaches, including identifying suitable external partners
- evaluate results in terms of cost/benefits as well as implications for Crop Trust structures and processes if scaled up
- develop recommendations for which pilots and/or new donor categories to scale up and formally incorporate into fundraising activities (including targeted network development, specific communications material etc.).

While it is expected that traditional public donors will continue to provide the bulk of financial support to the Crop Trust, innovative finance instruments will strengthen the Crop Trust's fundraising prospects by broadening and diversifying funding sources.



## 4. We Cannot Do It Alone: Importance of Partnerships

### 4.1 Joint fundraising

The Crop Trust focuses on long-term support to key crop diversity collections. This is central to its mandate, as set out in the constitution. As the amount of funding in the endowment does not yet suffice to meet this goal in its entirety, the development of new partnerships, and strengthening of existing ones, with institutions which host key genebanks around the world will be vital to advance joint fundraising objectives. The crucial partner here is the CGIAR system, both individual CGIAR centers as well as the system as a whole. However, other organizations that host individual Article 15 genebanks will also be engaged. Joint fundraising exercises will build on each institution's strengths (i.e. requiring each other's skills, hosting or other capacities) and include sharing information about funding requests, donor prospects and joint approaches to donors whenever strategically relevant. Joint external communications around fundraising activities and the joint celebration of successes will always be a priority. Any successful joint-fundraising collaboration will require a thorough understanding of both parties' needs (clarity on roles and responsibilities, building trust and a unified donor prospect approach) and in-depth planning to ensure a seamless cooperation and a successful outcome.

### 4.2 Strategic partnerships

The Crop Trust looks for opportunities to build strategic partnerships to improve efficiency and sustainability between non-profit organizations that can have benefits beyond cost savings. Collaboration results in stronger organizations which can position themselves better to resist funding instabilities and demonstrate to donors that they are proactive about maintaining efficiency, thereby effectively securing a sustainable future for both partners.

The Crop Trust aims to have successful partnerships that can aid in:

- saving costs through joint fundraising/events (sharing infrastructure, communications and outreach and administrative expenses)
- expanding the value proposition for both partners without increasing budget, and
- improving efficiency and visibility.

To this end, the Crop Trust is exploring partnership opportunities with relevant UN bodies and other multilateral agencies as well as other relevant public and private entities to boost the strategic position of the organization.

## 5. Conclusion

The Crop Trust is at a critical juncture in its evolution. After an initial period of generous contributions to the endowment and sustained through slowing growth of endowment resources ever since, the time has now come for the organization to systematically boost its fundraising efforts so as to reach its ambitious - but achievable - fundraising targets. The Crop Trust is fortunate to be able to call on its committed staff, Executive Board, institutional partners, strategic advisors and allies in government, civil society and the private sector to help achieve its goals. But 'a goal without a plan is just a wish,' as the saying goes. With this Financing Strategy, the Crop Trust has now defined and outlined key priorities and strategic directions that will serve as a solid foundation on which more detailed plans will now be developed to guide the organization over the coming years and allow it to grow to the necessary size and capacity to fulfill its 2030 vision of saving crop diversity forever.