



HIGHLIGHTS OF THE FOURTH INTER-SESSIONAL CONTACT GROUP MEETING FOR THE REVISION OF THE IU: 13 NOVEMBER 2000

Delegates to the Fourth Inter-sessional Contact Group Meeting for the Revision of the International Undertaking on Plant Genetic Resources (IU), continued deliberations in the morning on Article 16 (Financial Resources), providing general remarks on provisions under Article 16.4 addressing a funding strategy. During an afternoon session, the Contact Group considered a new proposal from a group of developing countries on the entire article and engaged in extensive debate over the establishment of a funding mechanism and funding from other bodies in Article 16.4.

ARTICLE 16 (FINANCIAL RESOURCES)

On Monday, 13 November, Chair Gerbasi opened the meeting and called upon the chair of the small contact group to report on discussions of Article 16.4(a) on allocation of resources by relevant international mechanisms. The group's representative stated that although positions were clarified, no agreement was reached, noting that reference to "ensuring" resources remained a major point of contention. One regional group requested a general discussion on Article 16 with a view to creating their regional proposal for consideration later in the day.

A developed country made a general comment, relating the provisions of Article 16 to elements in the "Financial Resources" section of the Chairman's Elements derived from the Montreux Meeting, which divides the commitment to a funding strategy into several sub-elements. The first sub-element on contributions from international organizations corresponds to Article 16.4(a). The second sub-element, which addresses country contributions to implement agreed plans and programmes under the IU, corresponds to Article 16.4(c). The third sub-paragraph addressing private sector contributions is linked to both Article 16.4(d) and (f). A fourth sub-element addressing national allocations to implement national PGRFA programmes is linked to Article 16.4(e). Chair Gerbasi then recapped yesterday's proposals for 16.4(b), asked that delegates discuss in general terms the remainder of the article, and agreed to allocate time for regional group meetings as requested.

ARTICLE 16.4(c): This provision addresses contributions by developed country Parties to implement the Global Plan Action (GPA). Noting parallel language in the CBD, one developed country expressed reservations regarding the omission of the word "may" before text stating that developed country Parties provide financial resources. A developing country responded that this deletion was intended to strengthen the commitment. A developed country supported reference to "may" provide on the condition of a clear commitment in Article 16.4(a), to parallel the language of that provision with the CBD. Two developing countries supported this statement.

Several countries supported reference to implementation of the GPA with reference to the IU's implementation. Two developing countries supported deleting reference to directing funding through bilateral and regional channels, as the IU is a multilateral system. One developing country opposed the deletion. A developing country noted that inclusion of this reference would restrict multilateral and other sources. Chair Gerbasi suggested reference to bilateral, regional, and multilateral channels. A developing country supported stronger language in Article 16.4(a) or (b) on committing resources from multilateral organizations, so that Article 16.4(c) provides resources through "bilateral and regional" channels.

ARTICLE 16.4(d): This provision deals with the provision of financial benefits arising from commercialization and thus refers to Article 14.2(d) on commercial benefit-sharing. Two developed countries questioned whether these benefits could be predictable. A developing country answered that annual contributions proportional to patented crops [Article 14.2(d)(i)] and annual contributions according to the UN Scale of Assessments [Article 14.2(d)(ii)] are predictable, whereas royalties paid by right-holders using PGRFA from the Multilateral System [Article 14.2(d)(iv)] are not predictable.

ARTICLE 16.4(e): This provision requires Parties to provide financial support for national activities according to their capabilities. Chair Gerbasi restated a developing country proposal that this provision should be placed after Article 16.4(b) on the IU's implementation by developing countries and countries with economies in transition. A developed country suggested moving this article to before Article 16.4(b).

ARTICLE 16.4(f): This provision addresses voluntary contributions from Parties, the private sector and other organizations. Several developed countries proposed that a developing country proposal from the Third Contact Group Meeting, calling for voluntary contributions from food processing industries benefiting from PGRFA (contained in a footnote of Article 14.2), should be linked to Article 16.4(f). A group of developing countries noted their support for a cross-reference in Article 16.4(f), as long as the proposal remained in Article 14. Another developing country supported this, arguing that the principle of Article 14 (Benefit-sharing) differs from the principle of Article 16 (Financial Resources). A developed country proposed text stating that the Governing Body shall consider a strategy to promote voluntary contributions referred to in Article 16.4(f).

ARTICLE 16.5: This provision states that the Governing Body, through the Secretariat, shall develop arrangements with other relevant financial institutions and organizations to secure their participation in the funding strategy. A developed country noted that the provision specifies the formal means of communication between the IU and other potential funding organizations regarding the details of the funding strategy contained in Article 16.4(a). A developing country questioned including the provision within Article 16 and suggested that it be addressed in Article 17

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(Governing Body). Two delegates supported retaining the provision in Article 16, given the importance of coordinating among a number of financial mechanisms and identifying how incoming financial resources should be utilized.

An observer stressed the importance of clearly funding the GPA and the IU with predictable and agreed as well as new and additional resources, given the importance of food as a basic human right. She highlighted the danger of relying on voluntary funds to secure such a right, and suggested that simply requiring voluntary or charitable contributions from the private sector could set a poor precedent.

At the close of the morning session, Chair Gerbasi reiterated that the discussions had been of a general nature and were not necessarily negotiations on specific text.

AFTERNOON DISCUSSION ON ARTICLE 16.4: A group of developing countries presented a new proposal for Article 16, which called for, *inter alia*: deletion of reference to implementation in Article 16.1; establishment of a funding mechanism under the Governing Body for receiving and utilizing resources in Article 16.4(a); and replacing “ensure” resources with “obtain” resources in Article 16.4(c). A number of developed countries expressed appreciation for the proposal, but expressed a preference for the original text.

The delegate speaking on behalf of the group of developing countries underscored the need to establish a funding mechanism under the IU. A number of developed countries opposed reference to a funding mechanism, as it was not agreed in the Montreux Elements, and said that a funding strategy would be more appropriate. Developing countries stated that since the agreed Montreux Elements refer to contributions, there should be a funding mechanism controlled by the Governing Body to decide how to utilize these resources. They argued that absence of a funding mechanism implied that there would be no incoming funds, and one delegate emphasized that an IU without funds or a mechanism used to secure and manage them would be ineffective.

A developed country expressed difficulty in understanding how a funding mechanism would work, especially when other international funds already exist. Developing countries responded that resources from other international organizations can only be complementary to resources flowing directly into the IU, and questioned how organizations such as the GEF and the CGIAR, whose resources are already strained, could provide adequate resources to the IU. Another developed country questioned whether having a bank account to manage funds mandated a separate mechanism, and raised issues of linkages with other organizations and integration of a funding strategy.

After debate on which text to use, Chair Gerbasi called on delegates to work from the original text as preferred by developed countries. A developed country said that funding matters should be dealt with in Article 16.5 of the original text. One developing country stated that the overall discussion implied that no new and additional funds would be forthcoming, while a developed country refuted this statement. Developing countries also stressed that without a funding mechanism there is no firm commitment to the IU.

A developed country emphasized that skepticism did not indicate lack of clear commitment. He supported elements of the new proposal, including creating some kind of funding mechanism under the Governing Body, but noted inconsistencies in references to all resources in Article 16.4(a) and predictable and agreed resources in Article 16.4(c). Another developed country expressed concern that the new text envisions a mechanism as a way to channel all contributions of resources. She noted that the IU would be supported by a wide variety of sources, including project-by-project contributions where a company, NGO or research center would enter into collaboration with other Parties, involving transfer of knowledge, benefit-sharing and capacity building, but not necessarily funding. A developing country clarified that the mechanism would govern only the funds that accrue or are contributed under

the IU’s provisions, and would not apply to resources that governments would provide through other multilateral and bilateral arrangements.

A regional group of developed countries proposed language stating that the allocation of resources depends on measures taken by Parties within the governing bodies of relevant international mechanisms, funds and bodies to implement plans and programs addressing the GPA. A developing country opposed this formulation as it did not reference a funding mechanism. With some debate on the interpretation of the Chairman’s Elements from the Montreux Meeting, Chair Gerbasi called for separate discussions on a funding mechanism and funds from other international bodies.

Regarding the mechanism, a developed country proposed language for Article 17.2 on establishing a mechanism for receiving and utilizing financial resources that may be contributed to implement the IU. Developing countries generally supported such language under Article 17, thereby reflecting the duties of the Governing Body, but also stressed the need for reference to a mechanism in Article 16 to reflect the commitment to providing funds to such a mechanism.

After debate over specific wording, Chair Gerbasi proposed merging language from the developed country proposal with the proposal from the group of developing countries. The combined text calls for establishing “as needed, an appropriate mechanism for receiving and utilizing financial resources and contributions accruing from the provisions of this Undertaking.” Delegates agreed to the language in principle, although further discussion on placement was left pending upon completion of Article 16.

Delegates then debated how to merge the regional proposal on funding from other international bodies with related provisions from the proposal of the group of developing countries. Some delegations supported language stating that such resources apply only to plans and programmes under the IU, not to priority areas of the GPA. The Contact Group debated language on whether the purpose of such measures would be to “ensure due priority and attention to” or “obtain” allocation of predictable resources, and considered text qualifying the types of measures that Parties would take in that regard. Developing countries generally preferred “effective” and “necessary” measures, whereas developed countries generally preferred “appropriate” measures. After much debate consensus was nearly reached on text stating that: “Parties shall take the necessary and appropriate measures within the governing bodies of relevant international mechanisms, funds and bodies to ensure due priority and attention to the effective allocation of predictable and agreed resources for the implementation of plans and programmes under the IU.” However, two developed countries objected to “necessary” measures, as such a term connotes *a priori* completion of an action, which cannot be guaranteed.

Chair Gerbasi closed this discussion without resolution.

IN THE CORRIDORS

As delegates continued to struggle through the article on financial resources, a conceptual stalemate achieved a breakthrough only to come to a semantic stalemate. Some noted that discussion of financial issues is more complex under the IU than in other international agreements, given the need to consider contributions from Parties, organizations outside the IU’s mandate, and voluntary and mandatory contributions from the private sector. Extended debate over a distinct funding mechanism under the IU and the ability of Parties to ensure funding from other organizations revealed the difficulties of presenting such matters in a clear and concise manner, while simultaneously addressing the familiar North-South divide on the provision of financial resources.

THINGS TO LOOK FOR

Delegates will reconvene at 10:00 am to continue consideration of language under Article 16 on funding from other international bodies. Delegates are also expected to discuss the organization of work based on the rate of progress made on Article 16.