

Minutes of the 17th Meeting of the Donors' Council of the Global Crop Diversity Trust

17 October 2017, Rome, Italy

The Donors' Council of the Global Crop Diversity Trust ('Crop Trust') met on 17 October 2017 at FAO Headquarters in Rome, Italy. The meeting was chaired by the Netherlands, and attended by representatives of donor parties as well as multilateral partners; this meeting was closed to observers. A list of those in attendance can be found in Annex 1. Annex 2 shows the meeting agenda. Several background papers were issued to invitees prior to the meeting.

1. Introductions and Adoption of the Agenda

The Chair opened the meeting, extending a welcome to all participants. Participants were asked to introduce themselves to the larger group. The goal of the 17th Meeting of the Donors' Council was to discuss the current and future role of the Donors' Council, to provide an update on Crop Trust funding strategies and the Food Forever Initiative, in addition to filling two vacant seats on the Crop Trust's Executive Board and elect the next Chair and Vice Chairperson of said Council.

The Minutes of the 16th Meeting of the Crop Trust Donors' Council held on 7 March 2017 were adopted. The agenda for this 17th Meeting of the Donors' Council was adopted.

2. Role of the Donors' Council Past, Present and Future

The Chair of the Crop Trust Executive Board, Ambassador Walter Fust presented a proposal on the future role of the Donors' Council. In 2015 the format of the Donors' Council was amended based on a consultation process with members of the Donors' Council. As it has been two years since these changes were adopted, management proposed that the format should again be brought for discussion to determine whether said changes have been productive, or whether additional measures should be implemented to encourage deeper engagement between the Donors' Council, the Executive Board and the Crop Trust Secretariat.

Ambassador Fust introduced three options to proceed: (1) continue with the current model of one to two meetings annually in Rome, with the option to hold one of these periodically in an alternate location; (2) a more focused and forward-looking Donors' Council that meets annually in Bonn and is ideally attended primarily by representatives from Capitals; and (3) to hold the official Donors' Council meeting

annually in Bonn complemented by a more general meeting of stakeholders (members and observers) in Rome.

Throughout discussion, the Donors voiced concerns regarding the financial feasibility of some countries to send a representative to Bonn for such a meeting. Ambassador Fust expressed that this proposal is a result of donor countries' indication that they would be willing to travel to Bonn, to encourage further input on the thematic priorities of the Crop Trust. Management, at this stage, has not yet discussed the availability of funding for this purpose. It was also suggested that a meeting in Bonn could coincide with other international climate meetings, as Capitals will already be sending representatives to Bonn. The Chair of the Donors' Council indicated that this idea has potential, and that Green Week hosted in Berlin could be another opportunity for the Donors' Council to attract capital participation.

A number of participants suggested that the changes adopted in 2015 already allow for meetings to be held outside of Rome periodically, and therefore, it was concluded that the way forward should combine options one and three whereby meetings *can* be held in Bonn, but with an official meeting of the Donors' Council held in Rome each year. General support for this plan was expressed as a way to ensure broad and regular participation.

The Donors' Council elected to proceed with a version of option three for a one-year trial period: one official Donors' Council meeting will be held in Rome and one in Bonn. At the end of this period, the Donors' Council will consider how to proceed in 2019.

3. Update on Finances: Institutional Budgets and Endowment Fund

Management presented a review of current and projected finances for the institution, including an overview on the status of the Crop Trust endowment fund, investment management, revised budgets for 2017, and multi-year budgets through 2020. The Crop Trust presented on the Finance & Investment Committee meetings, and announced that the first physical meeting of the Committee will be held in Bonn on the 23 October 2017.

The valuation of the Crop Trust endowment fund, as of 31 August 2017, is 208.3 million dollars. Since 30 June 2016, the fund has been overseen by two asset managers, both of which have been performing well. Return rates for each have been 14.7% and 5.7% thus far.

The Director of Finance presented the Revised Budget 2017 which was included in the circulated document and provided a detailed variance analysis report of the revised budget against the Executive Board approved budget for 2017 based on an

analysis of actual expenditure to 31 July 2017 and projected expenditure for the remainder of the year, following consultation with budget-holders.

Overall, the Revised Budget 2017 is projecting a balanced budget to 31 December 2017. The original budget had anticipated a less than 1% withdrawal from the endowment fund, or USD 675k, however, due to reduced donor support for the Platform than had been expected, approximately 3.5% will be withdrawn from the endowment fund.

The Director of Finance presented the Multi-Year Budgets 2018-2020 which was included in the circulated document that provided detailed analysis of forecasted income and expenditure and the key assumptions used in developing the multi-year budget. The Donor's Council considered the main income and expenditure movements over the three-year period and noted that the multi-year budgets were prepared following detailed consultation with all budget-holders and the Senior Management Team.

The Director of Finance highlighted a number of new initiatives being developed by the Crop Trust that, although not factored in to the multi-year budgets, could have a material positive impact on the multi-year budget and this will result in a revised plan being submitted to FIC and the Executive Board as and when required.

The multi-year budget for 2018-2020 includes for new phases with respect to the Crop Trust's two major programs – the Genebank Platform and the final phase of the Crop Wild Relatives project. In accordance with the Investment Policy Statement, the Crop Trust may withdraw up to 4% of the average portfolio value over the previous twelve quarters as annual income from the endowment fund.

The Crop Trust, as a responsible asset owner, considers that responsible investment and good stewardship may enhance long term Fund performance and considers environmental, social and governance (ESG) integration into its investment process to be an important component of its investment strategy and is not contradictory to the broader mission and objectives of the Crop Trust. The Director of Finance presented the Board approved Statement of Responsible Investment Beliefs which is publicly available on the Crop Trust website and outlined that the Crop Trust has proposed policy updates to its Investment Policy Statement to reflect these beliefs and this has been circulated to the Executive Board for its approval at its meeting on 24 October 2017. As a signatory to the UN Principles of Responsible Investment (UN PRI) the Crop Trust is committed to undertaking annual PRI reporting, the results of which are publicly disclosed.

Management also announced the signing of a concessional loan with KfW of Germany, approved by both the Donors' Council and the Executive Board, for 50 million Euro. The interest rate is effectively 0.5%, accounting for the confirmed grant from Germany's Federal Ministry for Economic Cooperation and Development (BMZ) to reduce the interest rate and complementary support provided by the Dutch Ministry of Economic Affairs. The funds will be managed using a conservative investment strategy over a 15-year period.

The Donors' Council commended the efforts of both the Crop Trust and the involved partners who have worked to make this first concessional loan possible. Participants highlighted the potential for innovative fundraising techniques in the Crop Trust fundraising strategy, particularly the feasibility of green bonds to attract capital.

3. Update on the Food Forever Initiative

The Food Forever Initiative is an awareness-raising campaign for the implementation of Target 2.5 of the UN SDGs. The Crop Trust is providing secretariat functions for the Initiative, in coordination with the Netherlands Government and others. The Donors' Council received an oral update on the progress of the initiative since it officially launched at the EAT Stockholm Food Forum in June 2017. Food Forever is grateful to have nearly 30 Champions, representing a broad geographic, professional, and demographic range, who are committed to advocating for the conservation and use of plant and animal genetic diversity. Each Champion is encouraged to use their stature to appeal to unique audiences and share the importance of agricultural biodiversity. Food Forever is also working with several Partner Organizations, or those whose mandates contribute to the scope of Target 2.5. Since the launch, Food Forever has secured representation at several events, with the aim of raising the global profile of plant and animal genetic resources and showcasing the efforts underway to achieve zero hunger.

Participants praised the efforts of Food Forever thus far, and particularly emphasized the importance of including key stakeholders such as the Convention on Biological Diversity, FAO, the International Treaty of Plant Genetic Resources for Food and Agriculture, the Commission on Genetic Resources for Food and Agriculture and others. The Donors' Council requested regular updates on the Initiative's progress.

4. Elections to the Executive Board of the Crop Trust, and of the Chairperson and Vice Chairperson of the Crop Trust Donors' Council

Four elections were recognized at this meeting: two to the Executive Board of the Crop Trust, in addition to the elections for the Chairperson and Vice Chairperson of the Crop Trust Donors' Council.

Having served the constitutional limit of 8 consecutive years on the Executive Board, Ambassador Walter Fust of Switzerland is set to vacate his position and retire as Chairperson of the Executive Board at the end of 2017. Alexander Müller of Germany will conclude his inaugural 3-year term on the Executive Board at this time as well.

Two candidates were thus submitted for positions on the Executive Board, Alexander Müller for re-appointment, and Emmy Bartz Simmons of the United States for a first term. The representative from the United States introduced Ms. Simmons and spoke in support of her nomination. The Donors' Council then moved by consensus to re-appoint Alexander Müller for a second term, and elected Emmy Bartz Simmons for her first term.

The current Chairperson and Vice Chairperson of the Donors' Council, the Netherlands and Germany respectively, were also concluding their first terms and were both eligible for re-appointment. The Council moved by consensus to re-appoint both to their current positions.

4. Any Other Business

As Ambassador Fust will be retiring from the Executive Board at the end of this year, he announced that he will be replaced by Tim Fischer of Australia, the current Vice Chairperson of the Executive Board. Ambassador Fust thanked the Donors' Council and the Crop Trust for their confidence in him over the last eight years, and shared that it has been a pleasure to steer to the Executive Board during his tenure. Ambassador Fust also announced that the Board has selected to extend the contract of Marie Haga as the Crop Trust's Executive Director for an additional five years, and that he is pleased by this continuity for the organization. The Chair of the Donors' Council thanked Ambassador Fust for his contributions to the Crop Trust.

The Secretary of the Donors' Council tentatively announced the 18th meeting of the Donors' Council as Tuesday, the 13th of March. Management will discuss plans for the next meeting based on the aforementioned decisions, and in consultation with the Chair of the Donors' Council, further details will be announced as soon as possible.

Annex 1: List of Participants

(a) Donors' Council Members

Australia:	Jo Tarnawsky, Talia Melsom
Brazil:	Larissa Maria Lima Costa
DowDuPont:	Paolo Marchesini
Egypt:	Ahmed Shalaby
Germany:	Susanne Berghaus
India:	Sanjeev Kumar
Netherlands:	Hans Hoogeveen (Chair of the Donors' Council), Paul van de Logt, Kim van Seeters
Norway:	Gunnvor Berge
Spain:	Antonio Flores, Clara Victoria Jusado Serrano
Switzerland:	Helene Gonnet
United States:	Fabrizio Moscatelli

(b) Multilateral Partners

CGRFA:	Dan Leskien
FAO:	Rene Castro
Treaty:	Kent Nnadozie

(c) Crop Trust Staff

Janet Muir, Director of Finance and Secretary of the Donors' Council
Luigi Guarino, Director of Science and Programs
Gerald Moore, Legal Advisor
Julia Greene, Campaign Officer – Food Forever
Adrienne Bober, Partnerships Fellow and minute taker