



FAO Investment Centre

## AN OVERVIEW



Fifty years old, the FAO-Investment Centre has adapted, expanded, diversified and – to the great credit of the people dedicated to its service – it has thrived.

For this anniversary, we took the time to reflect on the experiences of half a century of facilitating effective investment in agriculture and rural development.

This short overview provides a snapshot of the Investment Centre as it came to be and as it is now.

It also provides an introduction to the comprehensive book, *FAO-Investment Centre: 50 Years of Support to Investment in Agriculture and Rural Development*, to be published in early 2015.

Annotated with personal reminiscences, early documents and photos, the forthcoming book is a lively, multifaceted, decade-by-decade recounting of the Investment Centre's evolution through the years.

Please enjoy this overview of what is to come...





The central tenets  
of FAO's mission  
since it was founded  
70 years ago

FOOD AND NUTRITION  
SECURITY

ERADICATION OF HUNGER

SUSTAINABLE MANAGEMENT  
OF NATURAL RESOURCES

ECONOMIC AND SOCIAL  
PROGRESS FOR ALL



For 50 years, the Investment Centre has been at the forefront of responding to countries' investment needs in a rapidly changing world.

### What and Why?

The Investment Centre of the Food and Agriculture Organization of the United Nations (FAO)

➔ From its early days, FAO urged International Financing Institutions (IFIs) to recognize that investing in agriculture and rural development is essential for achieving FAO's goals by stimulating economic growth and poverty reduction in the areas where the majority of the world's poor live. Thus, in 1964, FAO created its first formal cooperative programme with an IFI – the World Bank – “for the common end of facilitating a greater flow of capital into priority agricultural projects and thereby increasing agricultural production. The forerunner of the Investment Centre, the Cooperative Programme soon became an integral part of FAO, working to achieve its mission by facilitating effective investments in agriculture and rural development.

➔ Today, the FAO-Investment Centre (IC) continues to lead the organization's efforts to promote increased and more effective public and private investment in agriculture and rural development as part of its fight against poverty, hunger and malnutrition. Throughout its half-century of existence, the overall mandate of the IC has remained largely unchanged: working with governments, international financing institutions, national and international organizations, FAO's sister UN agencies, the private sector and farmers, to increase and improve investments in agriculture and rural development. A parallel aim has always been to contribute to strengthening the capacity of national partners to take over the formulation of investment operations themselves.

Since its inception, the Investment Centre has been widely recognized for its responsiveness and flexibility to adapt over the decades to global trends and emerging FAO and partner IFIs priorities, while maintaining its technical rigor and integrity. This is perhaps the key to why it continues to be an integral part of development efforts fifty years on.

### The Investment Centre: A Unique Model

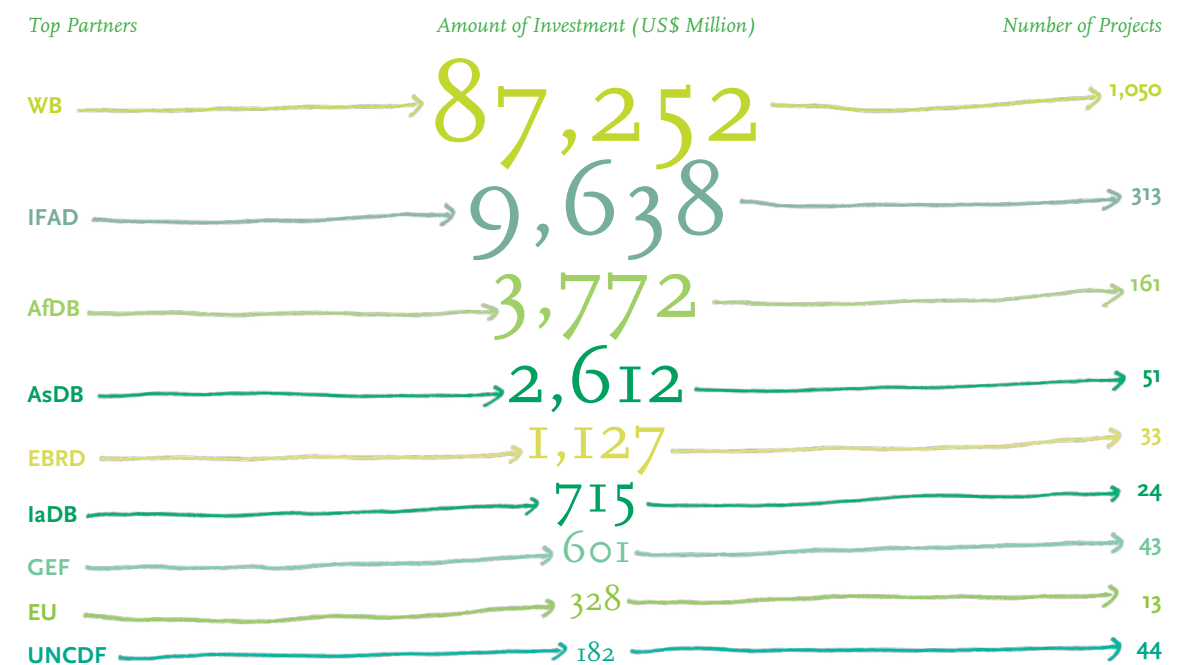
The Investment Centre was created as the first multidisciplinary unit in FAO. It was also the first unit to work through cooperative work agreements and cost-sharing arrangements between FAO and IFIs: partnerships that have evolved over time, starting with the Cooperative Programme, extending to a number of Regional Development Banks, and reaching a record of 26 partners since 1964.

Sixty percent of the IC's annual budget (US\$ 36 million) is funded through the billing of its services to IFIs, Trust Funds and TCP. Of this, the FAO-World Bank Cooperative Programme, contributes US\$ 14 million. The IC also has large work programmes with the International Fund for Agricultural Development (IFAD), the European Bank for Reconstruction and Development (EBRD), the Global Environment Facility (GEF) and several other development banks and funds.

The remainder of the budget (40%) is covered by FAO regular programme funds. There is no cost to the recipient country for the Investment Centre's services, except in providing logistical support and counterpart staff to work with the Centre's missions.

Because the IC bears a share of operational costs it is able to remain an independent voice and act as a credible link between FAO's own field programme of technical assistance, the financing agencies and the partner country. True to FAO's mandate, the IC's aim is to provide impartial, objective advice in the interests of the countries it serves.

#### Amount of Investment Mobilized during the life of the Investment Centre (1964-2014)





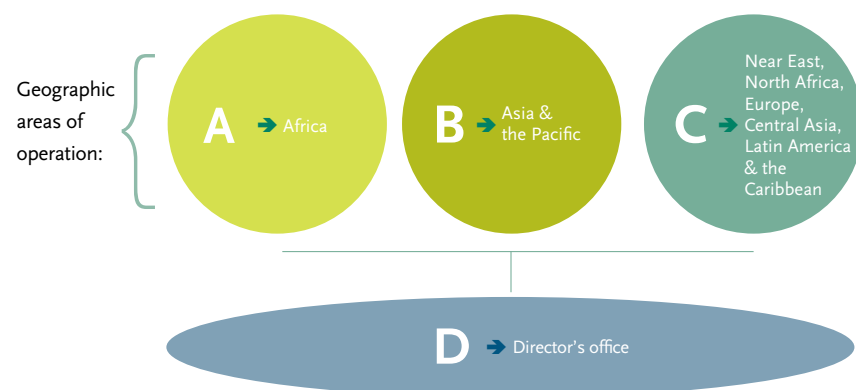
## FAO Investment Centre Partnerships

*"If you want to go fast, walk alone.  
If you want to go far, walk together."*  
African Proverb

## How Does the Investment Centre Work?

### Structure

The Investment Centre has undergone several structural changes during its half century of existence to reach its current incarnation. Today it is organized in three services that cover its geographic areas of operation: (A) Africa, (B) Asia & the Pacific, (C) Near East, North Africa, Europe, Central Asia, Latin America & the Caribbean.



The Investment Centre operates through a tripartite partnership between countries, IFIs and FAO. The Centre's main non-lending partners are developing and in-transition countries. The Centre helps these countries generate investment in agriculture and rural development over the long term to improve the lives and livelihoods of their citizens, particularly the rural poor.

The Investment Centre always aims to complement rather than substitute national expertise and thus works in close partnership with national development partners – including local government, market agents, other value-chain participants and smallholder farmers – to enhance project ownership and sustainable impact. Throughout project formulation and implementation, the IC's most important partners are the local men and women – smallholder farmers, pastoralists, fisherfolk – who participate and benefit from investment projects and who are involved in project planning decisions that affect their lives.

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### Staffing

With some 90 professional staff based at headquarters in Rome, Italy, and across FAO's decentralized offices, the Investment Centre is the largest single international entity specializing in formulating investment projects for agricultural and rural development and has one of the largest teams of agriculture investment specialists in the world.

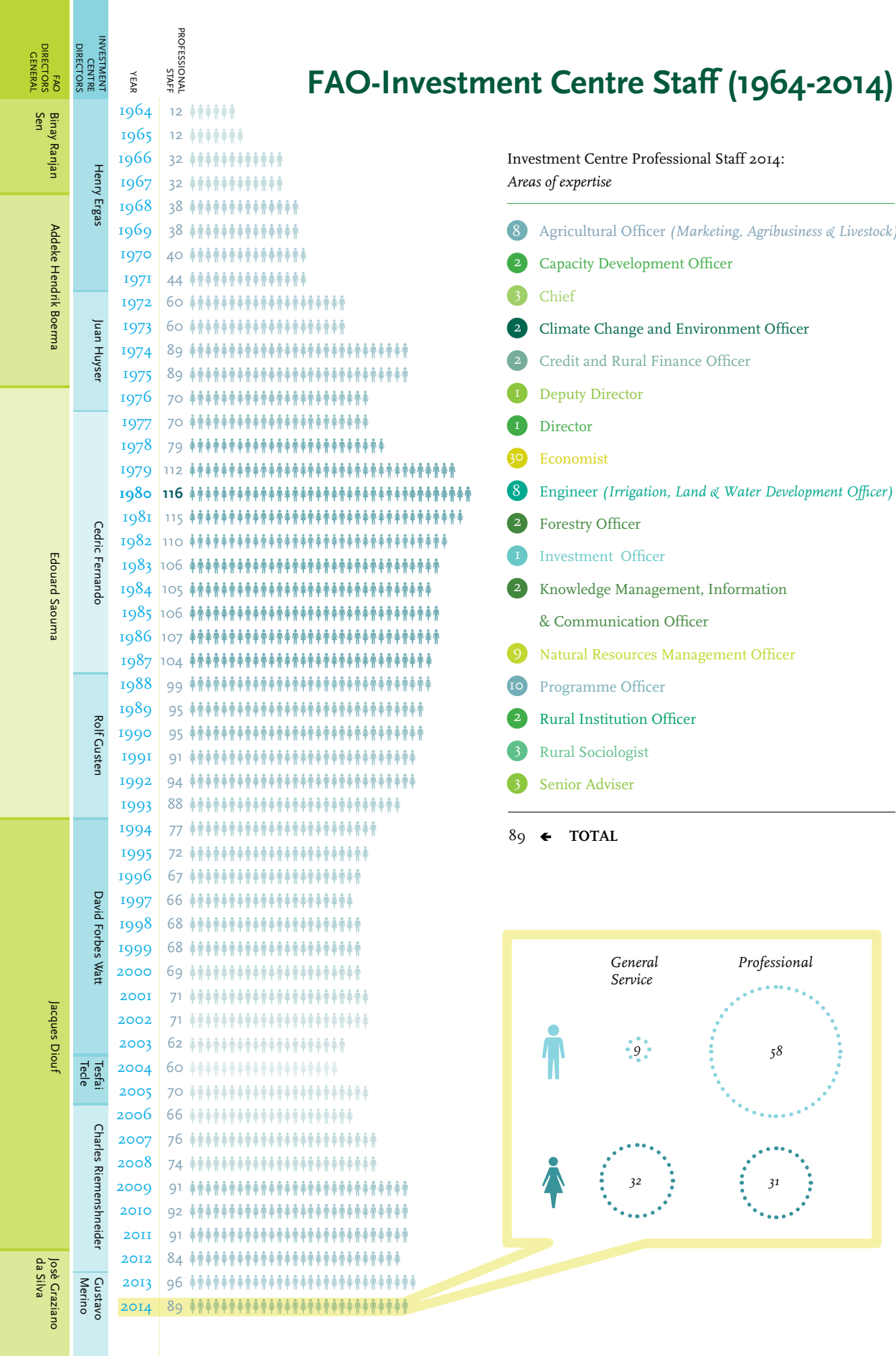
Budgetary accountability and the need to demonstrate delivery to IFIs have always been the driving forces in creating a fast-paced and dynamic division.

The Investment Centre was the first FAO unit to introduce staff-time recording, instituting it from its very early days. This was to provide a credible basis for charging the time worked on different activities to the IC's partners. This system has contributed to a strong accountability among staff about how they use their time within allocated budgets. An additional incentive for staff to perform well is the fact that almost all output of the Centre is subject to thorough external review by the concerned governments and the IFIs.

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## Methodology

Most of the Investment Centre’s work is done in the field, during interdisciplinary missions. The Investment Centre fields an annual average of 800 missions and undertakes an additional 200 desk assignments, involving a total of about 4,800 staff weeks.

Over the years, the Investment Centre’s bread-and-butter work has been to support the identification, preparation, appraisal, supervision and evaluation of agriculture and rural development projects and programmes.

At the upstream level, the Investment Centre advises national governments on strategies, planning and programming conducive to public and private investment. At the same time it provides assistance in country sector and sub-sector studies on investment for agricultural and rural development to reduce rural poverty.

Since its establishment, and intensifying during the last decade, the Centre has prioritized capacity development, in line with the growing emphasis given by FAO and the IFIs on national ownership and sustainability of programmes and community participation in project design and implementation. The IC achieves this by drawing on the knowledge and expertise of FAO staff from across the organization. In countries with well-established capacity, the Centre provides guidance and specialist inputs. In countries with lower institutional and staff capacity, it delivers more comprehensive services while building the skills of local counterparts through on-the-job investment and implementation training.

The IC’s role is to help countries to prepare their investment projects, programmes, plans and strategies. This stance, firmly adopted from the moment of establishment, was a “bottom-up” approach long before such a description had come into general use in development terminology.

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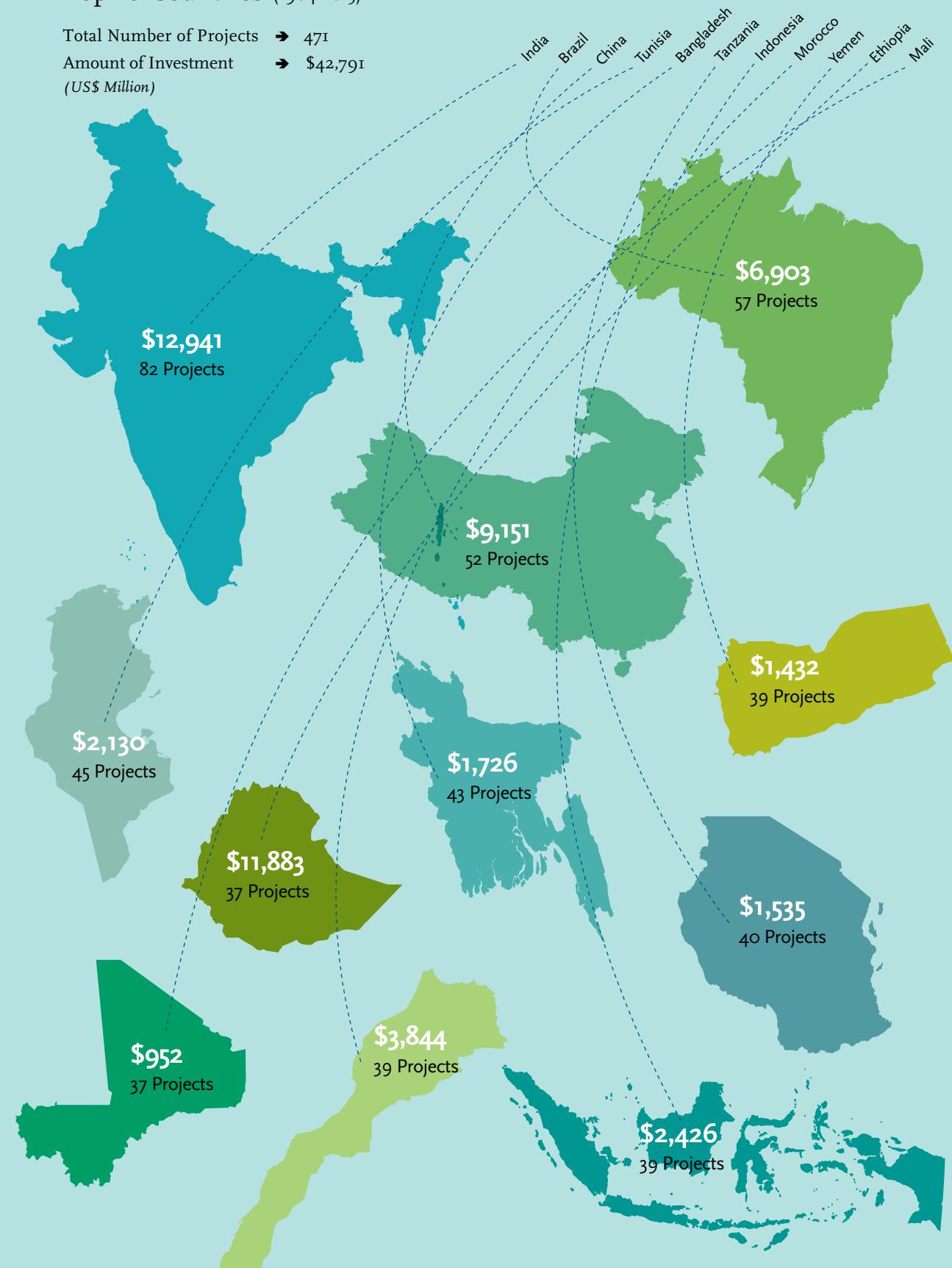
## Number of Projects & Total Investment per Region (1964-2013)

Total Number of Projects ➔ 2,005  
Amount of Investment ➔ \$109.692  
(US\$ Million)



## Top 10 Countries (1964-2013)

Total Number of Projects ➔ 471  
Amount of Investment ➔ \$42,791  
(US\$ Million)





## Top 20 Areas of Work (1964-2014)

Sector	Number of Projects	Amount of Investment (US\$ Million)
Rural Development	547	30,508
Irrigation, Drainage & Water Management	309	31,610
Forestry	123	6,376
Livestock	113	3,503
Agricultural Sector Investment Programmes	108	4,061
Fisheries	106	2,515
Rural Finance & Micro-enterprises	99	7,042
Crop production, general	99	3,180
Research Extension & Education	74	4,819
Cash crops	73	3,740
Environment & Natural Resources Management	71	3,200
Food Security	57	832
Education (1964-1988)	57	407
Agro-industries	47	1,689
Emergency & Rehabilitation	27	1,632
Marketing, Processing & Storage	23	1,257
Seeds	21	555
Land Management, Soil Fertility & Soil Conservation	15	973
Country Programme	15	630
Land tenure	11	730

## What are the Investment Centre's Achievements?

The Investment Centre is acknowledged by its partners for its capacity to:

- ➔ (i) draw on a wide range of technical expertise
- ➔ (ii) mobilize interdisciplinary teams with in-depth country knowledge in a timely and flexible manner
- ➔ (iii) act as an effective facilitator between various partners
- ➔ (iv) draw upon institutional memory and continuity in its support
- ➔ (v) enable countries to deliver quality outputs such as investment strategies, plans, programmes and projects.

Since its establishment, the IC has helped 170 countries across all regions formulate more than 2,000 investment projects and programmes in the agriculture sector, including forestry, fisheries and livestock. These have generated over US\$ 100 billion of agricultural investment worldwide.

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## Investment Centre Results (1964 - 2014)



## How has the Investment Centre Remained Relevant for Fifty Years?

The Investment Centre has remained relevant and competitive over the decades by adapting to changes in the development world and by responding to evolving methodologies of addressing agriculture, poverty and food security. The fact that the IC has survived in a form recognizable from its earliest incarnation testifies to the fact that it remains a useful vehicle for effective inter-agency collaboration, serving national clients well in their fight against rural poverty, hunger and food insecurity.

The Investment Centre's longevity as a vital force in international development financing can be attributed to these factors:



Accountability to IFIs, member governments and beneficiary communities

Engagement of FAO's technical capacities

Drawing on different funding sources and financing agencies

Ability to work closely with partners and add value to their work

Adapting and adjusting to new development approaches

Addressing the needs of small holders

Focus on project investment lending in agriculture and rural development

Strong team spirit and professional approach

Documenting processes and guidance

Interdisciplinary teams

Supporting country partners with formal and informal capacity development



The FAO-Investment Centre's highly skilled, interdisciplinary technical experts and their knowledge of the requirements of the IFIs on the one hand, and its institutional strength to promote national capacity development in project design on the other, have differentiated it from consulting companies. Its credibility is valued both by governments and IFIs, and enables national ideas and needs to become successfully funded programmes producing results that significantly improve food and nutrition security, rural livelihoods and environmental sustainability.

This book will provide a chronological walk through the Investment Centre's evolution over the past fifty years, sharing reminiscences of the camaraderie and excitement of the early days; chronicling the development of partnerships and methodology; detailing the growing pains and lessons learned; and ultimately providing a comprehensive look at the manner in which the Investment Centre has adapted and remained at the forefront of efforts to facilitate effective public and private investment in agriculture and rural development.

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“Making more and better investments in agriculture is one of the most effective ways to reduce hunger and poverty while safeguarding the environment. The challenge is to focus the investments in areas where they can make a difference...”

*Director General of FAO, José Graziano da Silva, December 2012*





## FAO Investment Centre (IC) Activities

## Development Trends & Events

Cooperation with World Bank begins:  
FAO/IBRD Cooperative Programme (CP)  
First CP mission fielded (Sudan)

AfDB founded  
FAO leads Freedom from Hunger Campaign (FFHC)

1964

Cooperation begins with laDB

1965

First CP project approved (Tanzania)

UNDP and AsDB founded

1966

Cooperation with AfDB begins  
First IC Guidelines issued

1967

"FAO Investment Centre" (DDC) created  
Cooperation begins with AsDB



"Green Revolution" boosts agricultural production

1968

Diversification of partners: ISP established

1969

First IC-designed AfDB project approved (Zambia)

CGIAR founded

1971



The Club of Rome publishes "The Limits to Growth"

1972

IC structure changes:  
2 geographical services



World Bank shifts to rural development  
"Economic Analysis of Agricultural Projects"

1973



World Food Conference "Universal Declaration on Eradicating Hunger and Malnutrition" adopted

1974



Bellagio Conference "Redistribution with Growth"

1975

Time recording system introduced

1976

IC structure changes: ISS added

FAO launches Technical Cooperation Programme (TCP)

1977

Cooperation begins with IFAD

IFAD founded

1978



First computerized Management Information System launched

World Bank starts investing through Integrated Rural Development

1979

First IC-supported IFAD Project (Sierra Leone)



World Conference on Agrarian Reform and Rural Development

1979



IC staffing peaks: 116 Professional and 72 General Service

Lagos Plan of Action for the Economic Development of Africa (1980-2000)

1980

First Word processing programme introduced

1981

World Bank / IMF embark on structural adjustments

1982



FAO conference adopts broader concept of World Food Security  
Robert Chambers "Putting the Last First"

1983

Cooperation begins with UNCDF

1984

First of 11 technical papers issued  
First mission using COSTAB software (Brazil)

1985



UN Bruntland Report "Our Common Future"

1987

First Socio-economic and Production System Studies (SEPSS) carried out

1988



First IC-supported project in Eastern Europe (Poland)

First personal computer introduced

1990

GEF and EBRD founded

1991

Guidelines for SEPSS issued



EU emerges as development donor  
UN Rio Earth Summit: Convention on Biological Diversity signed

1992

World Bank initiates SWAPs in Africa

1993

FAO restructuring begins

1994

Cooperation begins with EBRD  
FAO/WFP Liaison Unit hosted in IC  
IC becomes a division (TCI) under the FAO Technical Cooperation Department  
First Project with EBRD (Armenia)



FAO launches Special Programme on Food Security (SPFS)

1995

World Bank support to Community Driven Development (CDD) begins

World Food Summit renews commitment to eliminate hunger

1996

UNDAF launched to streamline country-level support

1997

First GEF Projects designed (Chile and Georgia)

FAO commits to halving number of undernourished globally by 2015 (MDG 1)

2000

NEPAD adopted

2001

East-Agri knowledge network launched

UN International Conference on Financing for Development adopts "Monterrey Consensus"

2002

IC structure changes:  
Regionalization of Services  
IC becomes first co-chair of GDFPD

Maputo Declaration gives rise to CAADP  
GDFPD created

2003

Current web-server based MIS launched

Paris Declaration on Aid Effectiveness

2004

IC staffing falls to lowest level since early 70s (60 professionals)

REDD launched

2005

Staff mourn two colleagues killed on mission

2006

IC becomes Secretariat of Initiative on Soaring Food Prices (ISFP)

Independent External Evaluation of FAO

2007

First annual "Investment Days" event

High Level Task Force for Global Food Security: Comprehensive Framework for Action (CFA)

2008



Reviews of gender mainstreaming introduced

L'Aquila Food Security Initiative (AFSI) launched  
International Conference for Global Food Security: Five Rome Principles

2009

Agronoticias LAC news-network launched



Global Agriculture and Food Security Program (GAFSP) launched  
Scaling Up Nutrition (SUN) movement

2010

Team formed to address Horn of Africa Crisis

2011

Evaluation of FAO's Role in Investment  
Med-Agri knowledge network launched

Rio+20 launches Zero Hunger Challenge  
FAO commits to 10 recommendations for improving nutrition through agriculture

2012

Decentralization of 21 IC posts

2013

Reviewed FAO Strategic Framework: IC strategic directions redefined

2014

Decolonization:  
32 independent African countries  
(1960-1968)



Global Food Crisis  
(1972-1974)



Global Energy Crisis  
(1973-1979)



Opening of China's economy



Ethiopia Famine  
(1983-85)



## Global Events



Dissolution of Soviet Union



New republics emerge:  
Eastern Europe/Central Asia  
(1991-1995)

Horn of Africa drought crisis



UN Millennium Development Goals (MDGs) launched

Avian flu outbreaks worldwide



South East Asia hit by Tsunami



Global Food Price Crisis

Haiti hit by earthquake



Horn of Africa drought/famine





## Legend:

AfDB	African Development Bank
AFSI	L'Aquila Food Security Initiative
AsDB	Asian Development Bank
CADAAP	Comprehensive Agriculture Development Programme
CDD	Community Driven Development
CGIAR	Consultative Group for International Agricultural Research
CP	Cooperative Programme
CFA	Comprehensive Framework for Action
DDC	Development Department
EBRD	European Bank for Reconstruction and Development
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FFHC	FAO Freedom for Hunger Campaign
GASFP	Global Agriculture and Food Security Program
GDPRD	Global Donor Platform for Rural Development
GEF	Global Environment Facility
IC	<b>Investment Centre</b>
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
ISFP	Initiative on Soaring Food Prices
ISP	Investment Support Programme
ISS	Investment Support Service
MDG	Millennium Development Goal
MIS	Management Information System
NEPAD	African Union's New Partnership for Africa's Development
NRM	Natural Resources Management
REDD	Deforestation and Forest Degradation
SEPSS	Socio-Economic and Production System Studies
SPFS	Special Programme on Food Security
SUN	Scaling Up Nutrition
SWAP	Sector Wide Approaches
TCI	Technical Cooperation Investment
TCP	Technical Cooperation Programme
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
WFP	World Food Programme



A collage of 12 photographs from a 1960s African safari. The photos show a group of people in a savanna landscape, a man carrying a large animal skin, a man in a hat and sunglasses, a group of people in a field, a man in a hat and sunglasses, a group of people in a field, a man in a hat and sunglasses, a group of people in a field, a man in a hat and sunglasses, a group of people in a field, a man in a hat and sunglasses, and a group of people in a field.