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COUNCIL

Hundred and Sixty-fifth Session

30 November – 4 December 2020

FAO's Strategy for Private Sector Engagement 2021-2025

Executive Summary

FAO embarked on an inclusive process with the Members to develop a new vision and subsequent update of the 2013 Strategy, which was encouraged by the 163rd Session of the Council in late 2019. This new strategy is the outcome of a highly consultative process and builds on: (i) the recommendations and needs expressed by FAO Members; (ii) the recommendations and feedbacks received from private sector actors; (iii) lessons learned from other United Nations agencies, particularly the Rome-Based Agencies; (iv) FAO's own experience of the 2013 Strategy; (v) strong demand from FAO technical, regional, subregional and country offices to enhance private sector engagements; and (vi) the independent evaluation conducted in 2019.

Following the extensive consultations with its Members through the Regional Groups, as well as a series of membership consultations led by the Programme Committee Chairperson, FAO's Strategy for Private Sector Engagement 2021-2025 (the Strategy) seeks to promote a more proactive and catalytic role for the Organization in support of its Membership by setting out a clear path towards more innovative partnerships with the private sector. The Strategy also strives to develop principle-based, purpose-driven partnerships that will deliver meaningful impact that leaves no one behind, respecting the Guidelines on a principle-based approach to the Cooperation between the United Nations and the business sector.

The Strategy includes: (1) a new vision for the proactive development of partnerships with the private sector; (2) principles for engagements; (3) the identification of key strategic areas of engagement; (4) refreshed and expanded mechanisms through which partnerships can be forged; (5) a fit-for-purpose due diligence approach to assessing and managing risk; and (6) new ways to assess and measure expected results from partnerships. The document also describes the main actions required to operationalize this Strategy.

It should be noted that enhanced collaboration with the private sector under this Strategy is based on the understanding that: i) given the intrinsic nature of its membership and governance and FAO's status as an Intergovernmental Organization of the United Nations System, the main interlocutors of FAO are the Members; and ii) the Basic Texts, rules, procedures or composition of FAO's governing bodies will not be affected by this Strategy, and will not change the current rules, procedures or composition of the Organization's governing bodies.

**Suggested action by the Joint Meeting of the Programme and Finance Committees
and by the Council**

The Joint Meeting is invited to:

- a) review the Strategy for Private Sector Engagement 2021-2025;
- b) welcome the inclusive process that led to its updating and completion; and
- c) recommend the Strategy for approval by the Council.

The Council is invited to endorse FAO's Strategy for Private Sector Engagement 2021-2025

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I. SETTING THE STAGE

1. Background and context

1. There is growing recognition that unsustainable food systems must be transformed to become more sustainable if the global community is to achieve the Sustainable Development Goals (SDGs). Consequently, governments, international organizations, including the Food and Agriculture Organization of the United Nations (FAO), private sector and other relevant stakeholders need to take a new approach in order to get the 2030 Agenda back on track. There is little time remaining to reach the SDG targets, while the general macroeconomic environment is challenging, with clear pressures on national budgets and finances. In addition, there are increasing numbers of plant and animal pests and diseases including zoonosis, as well as emerging threats such as antimicrobial resistance (AMR) and climate shocks requiring new research, innovation and collaboration.

2. As FAO and IFAD (2019) observed “*food systems face the challenges of providing sufficient, affordable and nutritious food to a growing global population, while dealing with the already stark impacts of climate change on production, and addressing concerns related to greenhouse gas emissions and environmental footprint*”¹. Transforming unsustainable food systems and achieving sustainable food systems requires all stakeholders to step up and play a more active role. A broad array of private sector actors, from farmers, including small holders and family farmers, foresters and fishers to micro-, small and medium-sized enterprises (MSMEs) and large companies, will be instrumental in driving this transformation. The Addis Ababa Action Agenda aims to align public and private financial flows to support the SDGs, recognizing that the world will not achieve them without mobilizing the capacity and resources of the private sector.² This is particularly true for FAO’s domain³, in which the private sector plays a predominant role.

3. The universally accepted framework of the SDGs includes a robust role for the private sector in global development. The SDGs have advanced new private sector developments as companies take on board their wider responsibilities to society and to the environment. The time is right, therefore, for FAO to initiate a new approach to strategic partnerships with the private sector as equal partners that will allow it to play an active and catalytic role in private sector collaboration for the transformation of unsustainable food systems.

4. **Support for FAO Members:** Governments have a critical role to play in promoting and enabling responsible private sector investment⁴ in their countries, with FAO standing ready to support them in the formulation and implementation of effective action plans to link sustainable private sector business strategies and investments to the SDGs. FAO must lend more decisive and active support to its Members to encourage responsible investment and sustainable business strategies for food systems, and to catalyse and accelerate the achievement of SDG targets.

5. Therefore, FAO’s Strategy for Private Sector Engagement 2021-2025 (the Strategy) seeks to promote a more proactive and catalytic role for the Organization in support of its Membership by setting out a clear path towards more innovative partnerships with the private sector. The Strategy also strives to develop principle-based, purpose-driven partnerships that will deliver meaningful impact that leaves no

¹ FAO and IFAD (2019)

² United Nations (2015a)

³ In the context of this Strategy, FAO covers any of FAO’s areas of responsibility and all agricultural commodities (food and non-food commodities), including livestock, forestry, fishery sectors and the utilization and conservation of natural resources covering the entire value chain.

⁴ Responsible investment as defined by the Committee on World Food Security (CFS) Principles for Responsible Investment in Agriculture and Food Systems (CFS-RAI) (CFS 2014).

one behind, respecting the *Guidelines on a principle-based approach to the Cooperation between the United Nations and the business sector*⁵.

2. Evolution and experience of FAO's private sector partnerships

6. **Private Sector Partnerships at FAO:** FAO has engaged with the private sector ever since its initial Principles and Guidelines for Cooperation with the Private Sector were established in 2000. Private sector partnerships have been thoroughly reviewed on a number of occasions, including in an in-depth process that began in 2010 and that eventually led to the approval of the FAO Strategy for Partnerships with the Private Sector in 2013 (the 2013 Strategy).⁶

7. **Lessons learned from the most recent evaluation of the Private Sector Partnership Strategy since 2013:** An independent evaluation of the 2013 Strategy was undertaken in 2019 to explore the first five years of implementation, while an evaluation report was produced for the 127th Session of the Programme Committee from 4 to 8 November 2019. From 2013 to 2019, FAO established 52 formal private sector partnerships, but private sector engagements have been opportunistic and sporadic, with *“limited replicability and sustainability of results achieved”*.⁷

8. The Committee agreed with a series of important and insightful recommendations, including the development of a new vision for private sector engagement.

9. Its recommendations, endorsed by the Council, included:

- a) FAO should strengthen the role of the private sector in achieving the SDGs.
- b) Private sector partnerships should be implemented to support the priorities of national governments, with their agreement.
- c) FAO should seek to further integrate partnerships with the private sector into its work, including at country level. Any new strategy needs to be fully integrated into all divisions and units, including regional and country offices.
- d) FAO should improve its responsiveness and proactiveness with regard to the growing number of partnership opportunities.
- e) FAO should establish clear, transparent and consistent processes for non-state actors (NSAs), including the private sector, to access FAO's events and activities.
- f) FAO needs to shed some of its inherently conservative attitudes toward private sector engagement (a “culture gap”).
- g) FAO should streamline its internal procedures and risk management processes in line with the best practices of the United Nations System, to find a balance between due diligence processes on the one hand and facilitating transparent partnerships and cooperation with the private sector on the other.

10. There have also been significant developments and opportunities since the adoption of FAO's 2013 Strategy. First, the SDGs call for broader and deeper engagement of the private sector in attaining development outcomes, both by contributing to the achievement of specific goals and by adopting responsible behaviour in all dimensions of sustainability. This is explicit in SDG 17, which endorses the importance of partnerships to complete the Agenda's goals.⁸

⁵ United Nations (2015) *The Guidelines*, developed in 2000 as a common framework for UN-Business collaboration, revised and reissued in 2009, and further revised in 2015.

⁶ FAO (2013)

⁷ FAO (2019)

⁸ United Nations (2015b)

11. Second, with the participation of the private sector and other actors, Members have developed a number of instruments to contribute to the achievement of the SDGs, including the CFS-RAI mentioned earlier and others.⁹

12. Third, the United Nations Reform process recognizes the centrality of partnerships to reaching all of the goals of the 2030 Agenda and proposes a system-wide approach to risk management. As mentioned, it is recognized that private sector enterprises have, themselves, expanded their commitment to and work on achieving the SDGs. All of the above makes the update of the 2013 Strategy timely, and this Strategy supersedes the Strategy approved in 2013.

13. Against this background, FAO embarked on an inclusive process with the Members to develop a new vision and subsequent update of the 2013 Strategy, which was encouraged by the 163rd session of the Council in late 2019. This Strategy is the outcome of a highly consultative process and builds on: (i) the recommendations and needs expressed by FAO Members¹⁰; (ii) the recommendations and feedbacks received from private sector actors¹¹; (iii) lessons learned from other United Nations agencies¹², particularly the Rome-Based Agencies¹³; (iv) FAO's own experience of the 2013 Strategy; (v) strong demand from FAO technical, regional, subregional and country offices to enhance private sector engagements¹⁴; and (vi) the independent evaluation conducted in 2019.

14. The Strategy includes: (1) a vision for the proactive development of partnerships with the private sector; (2) principles for engagements; (3) the identification of key strategic areas of engagement; (4) refreshed and expanded mechanisms through which partnerships can be forged; (5) a fit-for-purpose due diligence approach to assessing and managing risk; and (6) new ways to assess and measure expected results from partnerships.

15. Enhanced collaboration with the private sector under this Strategy is based on the understanding that: i) given the intrinsic nature of its membership and governance and FAO's status as an Intergovernmental Organization of the United Nations System, the main interlocutors of FAO are the Members; and ii) the Basic Texts, rules, procedures or composition of FAO's governing bodies will not be affected by this Strategy, and will not change the current rules, procedures or composition of the Organization's governing bodies.

⁹ There are a number of CFS policy recommendations, some of which are strongly linked to this Strategy, such as the Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security (the Guidelines) and the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT), just to name most relevant. All of these CFS "products" are negotiated in a multistakeholder process, including the Private Sector Mechanism of CFS and adopted by consensus. CFS is currently negotiating the Voluntary Guidelines for Food Systems and Nutrition.

¹⁰ The Organization has been in extensive consultation with its Members through the Regional Groups, followed by a series of membership consultations led by the Programme Committee Chairperson before the final submission to the Programme Committee.

¹¹ FAO held three virtual consultations with the private sector in July 2020 (see Annex 3 for the list of external entities consulted).

¹² FAO consulted with and conducted desk reviews of the strategies and practices of the private sector engagements of other United Nations agencies, including the World Health Organization, the United Nations Development Programme and UN Environment.

¹³ Both the International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP) also published approved strategies for engagement with the private sector in 2019. FAO reviewed these new strategies to identify synergies and complementarity within the Rome Based Agencies.

¹⁴ FAO solicited ideas and comments from within FAO (and with the decentralized offices and technical divisions).

II. FAO'S STRATEGY FOR PRIVATE SECTOR ENGAGEMENT 2021-2025

1. The vision – what we need to achieve together

16. The overall vision of the Strategy for private sector engagement 2021-2025 is for FAO's private sector engagement to bring about transformative change and innovation, as well as measurable sustainable impact and benefits, to meet our aspiration of *Leaving No One Behind through sustainable, inclusive and resilient food systems for better production, better nutrition, a better environment, and a better life*¹⁵.

17. FAO envisions its private sector engagements will bring strategic partnerships, scale up collective multi-stakeholder efforts, and bring country-owned and country-led innovative solutions to help FAO Members to achieving the SDGs, and ultimately maximizing the positive impact for its beneficiaries the Organization supports.

18. With this vision, FAO places greater emphasis on the Organization and the private sector working as equal partners in achieving the SDGs, especially SDG 1 (on eradicating poverty) and SDG 2 (on Zero Hunger), as well as other SDGs relevant to FAO's mandate.¹⁶

2. Principles for engagement – a commitment to UN values

19. FAO's engagement with private sector partners will be guided by clear and well-considered principles that are not open to negotiation and should be well communicated in the earliest stages of partnership discussions. The principles will be integrated throughout the operationalization of this Strategy, particularly the review process for private sector partnership and the development of an appropriate legal instrument and mechanisms/modalities for engagements. Engagements should:

- a) demonstrate a clear contribution to the attainment of the SDGs
- b) respect the values of FAO and the United Nations¹⁷
- c) not compromise FAO's neutrality, impartiality, integrity, independence, credibility or reputation
- d) be effectively managed and avoid any conflicts of interest or other risks to FAO
- e) demonstrate a contribution to FAO's mandate, goals and mission and its Members national development goals
- f) respect the intergovernmental nature of FAO and the decision-making authority of its Members, as set out in FAO's constitution
- g) support and enhance, without compromise, the neutral and independent scientific and evidence-based approach that underpins FAO's work
- h) protect FAO from any undue influence, especially on processes for setting and applying policies, norms and standards
- i) be conducted based on transparency, openness, inclusiveness, accountability, integrity and mutual respect

¹⁵ The aspiration is explained in detail under the Outline of the Strategic Framework 2022-31 and Outline of the Medium Term Plan 2022-2025 (<http://www.fao.org/3/nd976en/nd976en.pdf>)

¹⁶ FAO is the custodian United Nations agency for 21 SDG indicators under SDGs 2, 5, 6, 12, 14 and 15, and is a contributing agency to a further 5 indicators. In this capacity, FAO is supporting countries' efforts to monitor the 2030 Agenda.

¹⁷ FAO commits to promote adherence to United Nations System-wide framework and to the 10 Principles of the United Nations Global Compact, including the Guiding Principles on Business and Human Rights (United Nations 2011). The Principles on Human Rights, Labour, Environment and Anti-Corruption are fundamental criteria in FAO's due diligence process for engaging with the private sector. See United Nations Global Compact (n.d.).

- j) maximize local-level development impact and beneficiaries, particularly the smallholder farmers and their associations as well as youth and women, respecting the principles of “leave no one behind” and “do no harm”.

3. What is the private sector and what constitutes a partnership?

20. **Definition of partnership:** There are different ways of engaging with the private sector and the business community, each of which entails a different role for FAO. The Organization largely adopts the definition of the United Nations Sustainable Development Group (UNSDG) Common Approach to Prospect Research and Due Diligence for Business Sector Partnerships, in which engagement with the private sector is defined as “any type of interaction with business entities, with different objectives, ranging from informal talks and discussions, to knowledge-exchange platforms, to full-fledged partnerships entailing funding. These engagements may be implemented through different modalities, including but not limited to partnering, and may entail different levels of public exposure.”¹⁸

21. This Strategy also follows the definition of partnership set out in the FAO Organization-wide Strategy on Partnerships (2012): “cooperation and collaboration between FAO units and external parties in joint or coordinated action for a common purpose. It involves a relationship where all parties contribute to the output and the achievement of the objectives rather than a solely financial relationship.”¹⁹

22. **Scope of the private sector:** For the purposes of this Strategy, FAO considers the private sector to encompass a broad array of entities, ranging from farmers, fishers and MSMEs (including cooperatives, farmers/fishers/producers’ organizations and social enterprises) to large firms, both domestic and multinational companies, and philanthropic foundations.

23. This Strategy also takes account of industry and trade associations and consortia that represent private sector interests. Any consortium, organization or foundation largely funded or governed by private entities will be considered private sector, as well as state-owned enterprises (SOEs)²⁰. Academia and research institutions are not covered by this New Strategy.

¹⁸ FAO follows the UN Common Approach to Prospect Research and Due Diligence for Business Sector Partnerships, approved in August 2019. See UNSDG (2020).

¹⁹ FAO (2012a).

²⁰ This refers to entities established under national laws as for profit enterprises.

24. More specifically, FAO will engage with the following entities (Table 1), among others:

Table 1. Types of private sector entity FAO plans to engage

Farmers and farmers' organizations ²¹	Farmers (including small scale and family farmers) and farmers' organizations are important constituents, not only as private sector entities and agents of change, but also as beneficiaries of private sector engagement. FAO is committed to facilitating the advancement of the UN Decade on Family Farming and will continue to prioritize its work focusing on family farmers, small-scale fishers and foresters.
Producers' organizations and cooperatives ²²	Producers' organizations and cooperatives play a pivotal role in empowering farmers, fishers and foresters, helping them to access markets, technologies and financial services, but also in boosting their productivity and capacity to innovate.
Micro-, small and medium-sized enterprises (MSMEs)	Micro-, small and medium-sized agrifood and rural non-farm enterprises, including start-ups, play a critical role in achieving food security and eradicating poverty. FAO will promote the development of MSMEs as key drivers in realizing the socio-economic potential of the agrifood and rural non-farm sectors, with special emphasis on youth- and women-led businesses.
Large firms: large national and multinational companies, including state-owned enterprises	Large firms (including large national and multinational companies and SOEs). Multinational corporations and companies have developed bilateral private sector partnerships with FAO on a broad range of thematic topics in recent years.
Financial institutions	Financial institutions, including international and national development banks, commercial banks and private investors, impact investors and other private investment institutions in order to improve the investment process and capitalize on the potential of innovative finance to de-risk and mobilize private investment to achieve the SDGs.
Industry, trade associations and private sector consortia ²³	Industry, trade associations and consortia allow FAO to achieve greater impact through collaborations with a range of committed, like-minded stakeholders that have the capacity to scale up for impact in terms of achieving the SDGs and food security and nutrition.
Philanthropic foundations	Philanthropic foundations have a pivotal role to play in achieving the 2030 Agenda and are an important source of financing for development.

²¹ FAO tends to consider small-scale producer organizations under the scope of civil society, whereas philanthropic foundations or commercial food producers are usually treated as private sector. However, the division is not always clear-cut. Therefore, these organizations may be considered on a case-by case basis to determine under which Strategy they fall more appropriately. Regardless of this, given FAO's mandate, FAO works to ensure adequate representation and participation of producers' organizations at FAO meetings and processes to ensure their voices are considered and reflected.

²² Same as above.

²³ The World Economic Forum, the World Business Council for Sustainable Development and UN Global Compact are examples of the entities with which FAO has been engaging under the 2013 Strategy.

4. Why partner with the private sector?

25. FAO recognizes the unique role of the private sector in innovation, trade, finance and investment and its ability to impact on food systems transformation at scale. FAO has a strong interest in increasing its engagement with the private sector to avail of this potential and to better respond to Members' needs. Among other aspects, FAO hopes that such engagements will:

- a) improve understanding of development issues, with a view to improving the design of solutions, taking into account the associated trade-offs
- b) promote economic and social inclusion
- c) facilitate inclusion in value chains and access to more profitable markets
- d) support and scale up innovation
- e) mobilize scientific and evidence-based expertise
- f) play a catalytic role in changing the ways in which businesses operate and invest in food and agricultural systems
- g) develop the capacities of smallholder farmers and MSMEs
- h) advocate for policy and institutional change
- i) contribute to adjustments in private sector priorities and business strategies which incorporate and promote sustainability practices
- j) promote investment to close key financing gaps impeding the achievement of the SDGs
- k) generate data that can help accelerate innovation, evidence-based decision-making and SDG monitoring
- l) support the private sector to recognise its social responsibility to contribute to the food and nutritional security of the population through sustainable forms of production that minimize the impact on the environment.

26. Moreover, while recognizing the risk of undue influence by the private sector, FAO's normative work can benefit greatly from private sector knowledge, technology and innovation. Private sector partnerships can generate real-time knowledge and data, market intelligence and best practices, and facilitate the effective dissemination of information both nationally and globally.

5. Why should the private sector partner with FAO?

27. Many private sector firms and associations are demonstrating a growing commitment to aligning their business strategies, practices and investments with the values and objectives of the 2030 Agenda. Private sector actors are seeing the expertise of organizations such as FAO, which can provide guidance on sustainable and socially responsible business practices.

28. FAO's consultations suggest that the private sector reaches out to the Organization because it views it as:

- a) a global leader in food and agriculture and a knowledge broker for governments
- b) a "matchmaking" hub, putting Members and relevant private sector entities together around shared priorities and investments
- c) an independent, neutral, objective and honest broker of multidisciplinary alliances, able to facilitate communication between governments and the private sector together with other NSAs

- d) an advocate for innovation and digitalization in sustainable food and agriculture, management of natural resources to ensure food security, advance sustainable development and foster rural development worldwide, particularly for smallholder farmers
- e) a provider of global norms and standards and custodian of global policies, international treaties, codes of conduct and other binding and non-binding instruments,²⁴ providing appropriate international standards that can be used by the private sector to improve development-related activities
- f) a mobilizer of public and private networks, supporting the reinforcement of data, information and knowledge through its ability to rally and convene diverse stakeholders.

6. Why private sector engagement matters – outcomes and benefits

29. **Desired outcomes:** The overall goal of this Strategy is to enhance engagement with the private sector in FAO's work, including at the decentralized level, as "One FAO" to work towards more long-term sustainable solutions. More concretely, the desired outcomes of increased and more strategic collaborations between FAO and the private sector should include the following:

- a) Private sector partners are engaged in inclusive and sustainable food systems development, helping to revitalize rural economies and ensuring the economic participation of the most poor and vulnerable stakeholders.
- b) Short- and long-term transformational and shared-value multisectoral partnerships with the private sector, such as the Hand-in-Hand Initiative (HiHI),²⁵ are established in response to specific, beneficiary-focused needs, in line with the priorities of national governments.
- c) Partnerships and engagements with a focus on innovation, new technologies and new ways of working result in cost-effective, sustainable and scalable solutions to long-standing development challenges.
- d) MSMEs have better access to finance and investment, while business environments are more sustainable for financial institutions and investors, drawing on FAO's expertise and international instruments for sustainability and SDG alignment, such as the VGGTs and Principles for Responsible Investment in Agriculture and Food Systems²⁶.
- e) Appropriate evidence-based policy incentive mechanisms are in-place to orient the private sector toward greater sustainability.
- f) Private sector businesses are better aligned with the SDGs, and more committed to decreasing their environmental footprint, sustaining global biodiversity and ecosystem services, reducing their climate impacts and ensuring sustainability.
- g) Private sector data and knowledge are openly available and accessible through public good repositories.

²⁴ Examples include the Voluntary Guidelines on the Responsible Governance of Tenure (VGGTs) (FAO, 2012b); CFS Principles for Responsible Investment in Agriculture and Food Systems (CFS, 2014); the Agreement on Port State Measures (FAO, 2016a), codes of conduct on food losses and waste (in development) and CFS Voluntary Guidelines on Food Systems and Nutrition (in development).

²⁵ Read more on the HiHI initiative at: <http://www.fao.org/hand-in-hand/en>.

²⁶ FAO (2012b) and CFS (2014). This is not an exhaustive list. Other examples include the Voluntary Guidelines for securing sustainable small scale fisheries (VG SSF), the Code of Conduct for responsible fisheries, the international Code of Conduct on pesticide management, the international Code of Conduct for the sustainable use and management of fertilizers, or international food standards (FAO/WHO Codex Alimentarius), etc.

- h) The private sector adds its voice to national, regional and global policy dialogue, in support of the SDGs.

7. Structures for engagement with the private sector

30. **Private sector engagement alignment with the Strategic Framework:** This Strategy is fully aligned with the Strategic Framework. A number of priority partnership areas with the private sector are already emerging. These include:

- a) *Leveraging the food systems agenda:* Food systems are among the key entry points for capitalizing on interlinkages and accelerating progress on all of the SDGs.²⁷ It is critical to position the food systems approach in the political agenda, where FAO should be leading a strong United Nations coalition to ensure better production, nutrition, health, environment and livelihood. A case in point is HiHI.
- b) *Scaling up science, technology and innovation to achieve the SDGs:* Harnessing science, technology and innovation is crucial for a profound transformation of food and agricultural systems. FAO needs to respond efficiently and effectively, with a clear and consistent voice, to the possibilities and challenges that this entails.
- c) *Partnering for healthy diets and to eradicate all forms of malnutrition (including obesity):* FAO is increasingly vocal on this topic and should seek to work more closely, and ambitiously, with public and private sector champions in the field, as well as with consumers and their organizations.
- d) *Facilitating more and better investment:* The FAO Council²⁸ has approved the expansion of FAO's work to promote public and private investments as the best way to scale up technical expertise with a focus on sustainable, climate-neutral products and services, as well as inclusive investments.
- e) *Eradicating rural poverty:* FAO can expand strategic partnerships to achieve SDG 1 (and SDG 2), specifically, on rural poverty reduction. To this end, HiHI aims to accelerate inclusive investments in rural areas and includes the development of new and emerging rural economic activities. Humanitarian partnerships can be further expanded, particularly in the context of the humanitarian–development–peace nexus.
- f) *Capitalizing on data, non-traditional data sources and data science:* FAO is developing platforms to integrate multisectoral data from various sources for real-time analysis and forecasting. This includes non-conventional data sources, such as news, social networks, remote sensing, open data and analytical products.
- g) *Strengthening measurement tools and corporate reporting on the SDGs and food and agriculture sustainability issues:* FAO is establishing an indicator framework for private sector reporting on the SDGs. Close engagement with the private sector on methodological development activities to improve measurement and reporting on key sustainability issues could facilitate global SDG monitoring efforts.
- h) *Ensuring environmental sustainability, biodiversity mainstreaming and the climate resilience of food and agricultural systems:* Agriculture and food systems have a large environmental footprint and are major emitters of the greenhouse gases that are responsible for climate change, while recognising the function of carbon sequestration of the agriculture sector, as well as the role being played by the sector in achieving food security. Biodiversity and ecosystem services are also

²⁷ United Nations (2019)

²⁸ Refer to the 164th session of the FAO Council report (see <http://www.fao.org/3/nc436en/nc436en.pdf>; <http://www.fao.org/3/nd238en/nd238en.pdf>)

essential for sustainable agriculture, forestry, aquaculture and fisheries. It is vital that private food and agriculture firms innovate in order to significantly reduce their environmental footprint, mainstream biodiversity and increase climate resilience.

- i) *Addressing food and water crises*: FAO plays a key leadership role in preventing, preparing for and responding to food crises (including transboundary pests and diseases and COVID-19) and supporting the collective outcome of ending hunger, reducing the needs, risks and vulnerabilities associated with acute hunger. FAO has a strong commitment to sustainable water management with a view to achieving SDG 6.

31. **New and existing structures of engagement**: Under the 2013 Strategy, FAO has employed six structures or modalities of engagement with the private sector (Table 2.1), which remain valid. With this Strategy, FAO will be initiating and inviting engagements in several additional areas (Table 2.2). These additional areas are not exclusive and demonstrate the Organization's willingness to work creatively and efficiently with private sector partners.

32. FAO efforts to ensure inclusivity of private sector interventions: FAO will ensure the activities with the private sector will be inclusive, especially with smallholders and MSMEs. FAO will:

- a) target interventions on areas with significant presence of smallholders and MSMEs, for example, the territorial approaches implemented under the Hand in Hand initiative,
- b) provide public information to facilitate the transparency of private sector participation in a competitive way,
- c) work with governments to ensure the necessary complementarities are present with the governance, human capital and institutions inclusively, and
- d) use current and new partnerships with international financial institutions (IFIs) and other international organizations to open possibilities for de-risking investments competitively.

Table 2.1. Existing structures of engagement

<p>Policy dialogue – FAO supports the participation of the private sector in multistakeholder policy dialogue related to agriculture, the environment, natural resources, food security and nutrition under FAO's mandate. Participation by the private sector provides a different viewpoint on complex development challenges and helps to improve corporate practices. It also helps to set industry standards in line with government policies and international standards.</p>
<p>Capacity development – FAO is collaborating with the private sector on capacity development activities in many areas, including activities specifically targeted at farmers, producer organizations, cooperatives and MSMEs, to improve and enhance workflows in agricultural value chains.</p>
<p>Resource mobilization – FAO has received financial and in-kind contributions from the private sector to support FAO programmes and projects in areas of mutual interest. While this traditional model of resource mobilization will continue to exist, FAO will shift the focus from funding to financing. This shift will entail a major change of focus for FAO, from primarily mobilizing grant resources for its projects and programmes to catalysing, leveraging, blending and structuring different sources of domestic and international, public and private financing to achieve collective, transformative and sustainable development results.</p>
<p>Technical cooperation – FAO engages with the private sector on specific programmatic needs and challenges with defined technical specifications in FAO's areas of work. FAO works with private sector partners to share experiences and to design and deliver solutions to problems where existing solutions are not available or not appropriate.</p>
<p>Knowledge and research – The private sector contributes to FAO's knowledge and research capacity by providing data and information on market trends and emerging technologies. Private sector</p>

knowledge can make important contributions to public goods. FAO’s technical advice is often requested by international public and private organizations.
Advocacy and communication – FAO works with the private sector to share and disseminate information and best practices related to key FAO priorities. Advocacy for FAO’s work has been a long-standing form of engagement with the private sector, with the media helping FAO to promote Zero Hunger, for example.

Table 2.2. Additional structures of engagement
Innovation – The private sector will help to ensure that FAO applies modern science and technology and adopts innovative approaches to new situations and challenges. FAO and the private sector will work together to ensure that innovative approaches are used and brought to scale and that opportunities emerge to work towards achieving a world free from hunger, poverty and malnutrition.
Data sharing and dissemination – FAO encourages and supports the sharing and dissemination of private sector data and information through global networks and as global public goods. The Organization looks to the private sector to complement and enhance the various agriculture data streams that it monitors and collects on a regular basis.
Support for financing and investment – Agricultural and rural non-farm development requires high levels of private investment to meet the SDGs. FAO seeks to engage in new mechanisms to increase SDG-aligned investments in food and agricultural systems. This includes engaging with financial institutions, both public and private, domestic and international, to support financial mechanisms that facilitate responsible investments throughout agricultural supply chains.
SDG alignment – FAO supports the private sector’s use of a series of internationally endorsed instruments aligned with the SDGs, for which the Organization is the lead custodian. These include the VGGTs and codes of conduct noted in Section II.6, as well as sustainability measurement, monitoring and reporting tools in FAO areas of expertise and mandate. This envisages technical support and compliance with the 2030 Agenda and the SDGs, and the use of performance-support tools to guide, monitor and report on SDG compliance.
SDG advocacy – FAO is seeking to broaden multistakeholder and multidimensional partnerships with private sector entities for advocacy on sustainability issues, challenges and solutions towards the achievement of the SDGs. This can include strategic alignments with existing private sector-led coalitions and consortia, such as the World Economic Forum, the UN Global Compact and the World Business Council for Sustainable Development.

8. CONNECT, SUPPORT, SUSTAIN – the guiding pillars of this Strategy

33. FAO is taking a more proactive approach to seeking, cultivating and scaling up new private sector engagements. FAO’s approach is a continuum of engagements by *connecting* FAO and the private sector proactively, *supporting* the development of impactful engagements in a transparent and agile manner and, finally, *sustaining* the engagements by measuring the impacts and scaling-up.

34. **CONNECT – a proactive approach to outreach and engagement:** FAO proposes to launch two new supporting mechanisms to enhance engagement with the private sector: a “Connect” portal and an informal Private Sector Advisory Group (PSAG) to provide advice on implementing the Strategy.

35. In line with one of the recommendations of the 2019 evaluation, FAO will establish a web-based private sector partner “CONNECT” portal, which will serve as an official channel through which the

Organization can interact with prospective and current partners. The portal is envisaged as an online²⁹ repository of partner information, based on transparency, openness, inclusivity, accountability, integrity and mutual respect. It will make available past, current and prospective partnership agreements such as Memorandums of Understanding with associated work plans, Letters of Intent, etc. and provide access to FAO personnel and Members. It will serve as the Organization's corporate relationship management system to ensure that key information on partners (including past, current and prospective) and the status of engagement is easily and systematically accessible to all FAO personnel, regardless of location, as well as to the partners themselves and FAO Members.

36. The informal PSAG will be established to enhance FAO's collaboration and engagements across the private sector. Importantly, it will comprise a diverse range of private sector entities³⁰. It will not be a formal decision-making body but will offer FAO opportunities for dialogue and will constitute a forum for FAO and Members to periodically consult the Group for advice and reaction on proposed areas and methods of engagement. The Group will have representatives from all key entities listed in Table 1. The Advisory Group will operate at least for two years with the approval by the Council of this Strategy. After two years, FAO will assess whether the term of the Advisory Group should be extended under the remaining period of the Strategy, under which mandate and for how long, and determine the rotation of the representatives. Regional Group Member representatives will be invited to participate as observers to ensure full transparency for FAO Members.

37. FAO will make sure that the Group composition reflects the following aspects: *diversity* (both geographical and categorical), *relevance*, *impact*, *innovation*, *availability* and *commitment* to the mandate of FAO, and *balance* between partners already known to FAO and potential new partners. PSAG members will be selected by FAO through a transparent and open process in consultation with FAO's decentralized offices, as well as technical offices and streams in headquarters. The proposed terms of reference and the detailed selection criteria can be found in Annex 2.

38. **SUPPORT – a transparent and diffuse business model for partnership-building:** A critically important element of the Strategy will be clear and concise internal guidelines for FAO personnel, providing practical guidance on the operational aspects of managing partnerships, including facilitation, risk assessment and due diligence, as well as reporting procedures. The instruments currently in place to engage with the private sector are insufficient to meet the needs of the Strategy. In line with FAO's commitment to expanding its areas of engagement with the private sector, a more expansive set of instruments (including legal instruments) and associated tools will need to be developed, with clear operational guidelines. Among others, these will need to better support FAO personnel³¹ in identifying impactful partnerships in order to address the findings of the Evaluation and lessons learned from the implementation of the current strategy.

39. There is also a need for cooperation agreements at local level.³² While it is important to define open and flexible tools and to identify general areas of cooperation and geographical areas of interest at global level, detailed cooperation agreements are also needed at local level. The aim is to have agreements that put all parties on the same level, allowing them to join forces, share experiences, technology and innovation, avail of synergies and leave open the option to share economic resources at local level.

²⁹ The portal will ensure appropriate safeguards and a firewall to control the degree of access to information. For FAO personnel and Members, full disclosure of partnership agreements will be ensured, while access by external parties may be restricted.

³⁰ The PSAG will initially be established at global level but a similar mechanism at the regional level will be considered in the future, as FAO progresses the expansion of engagement with the private sector.

³¹ Consideration will be given also on training about FAO's mandate and core values, to ensure consistency of proposed partnerships of the Basic Texts and FAO's status.

³² FAO has also been advising governments on how to handle private sector engagement more effectively with the aim of transforming their agricultural sector. Public-private partnerships are a key element of this. See FAO (2016b).

40. Simultaneously, FAO will update its rules such as intellectual property rights, branding and logo use. FAO will ensure that any updates to procedures and processes related to private sector engagement are in line with United Nations standards and existing protections under international law, without compromising FAO's integrity, independence, neutrality, credibility or reputation.

41. **SUSTAIN – measuring impact for scaling-up:** Another feature of the Strategy is a focus on quantifying and measuring results from a partnership with the private sector. This should include data and other metrics associated with the SDGs through the Strategic Framework to measure the impact of engagements with the private sector. FAO should capitalize on existing partnerships to bring good practices to scale and to expand them geographically.

42. In addition to an Annual Report on Partnerships, including private sector engagement (see Section III), FAO will publish its findings and metrics on each type of engagement with the private sector through the portal. Additional documentation, such as factsheets, good practice summaries and enhanced data repositories resulting from FAO partnerships, will also be made available as global public goods. As FAO progress with the operationalization of the Strategy, the decentralized offices will report their more active engagement with the private sector and this data will be synthesized for reporting and knowledge-management purposes.

9. Fully supporting regional and national engagement opportunities

43. While anyone inside or outside FAO, including Members, can identify a need or opportunity for potential engagement with a private sector entity, the decentralized offices have an especially critical role to play in building partnerships with the private sector on the ground. To strengthen engagement with the private sector, personnel capacity development, particularly in the regional and country offices, will be critical to ensuring that partnerships are nurtured and support the work of FAO. The early action planning for implementing this Strategy (Annex 2) focuses on personnel capacity development as a priority activity.

44. **Regional perspective:** The integrated nature of the SDGs calls for cooperation in areas related to complex transboundary challenges. FAO will engage with the private sector at regional level on intraregional cooperation and investment issues that are relevant to FAO's contribution to boosting the economic potential of the food and agriculture sector, as well as achieving food security and nutrition.

45. FAO will seek to maximize engagement with the private sector in collaboration with regional institutions, such as the African Union, the League of Arab States, the European Union, the Association of Southeast Asian Nations, the Community of Latin American and Caribbean States, the Central American Integration System and the Caribbean Community. The FAO Regional Conferences will also seek to attract more private sector participation as a basis for initiating further engagement to address regional priorities.

46. **Country level:** Partnerships developed at country level will be in line with government priorities, as reflected in the FAO Country Planning Frameworks (CPFs) and the United Nations Sustainable Development Cooperation Framework (UNSDCF). FAO will develop partnerships and operational agreements at country level designed to promote the engagement of the private sector in those priority areas set by government.

47. The regional and country offices are expected to develop tailored action plans for engagement with the private sector, based on the priorities identified by the Regional Conferences, CPFs and UNSDCF, as deemed appropriate.

10. A fit-for-purpose due diligence approach to assessing and managing risk

48. **Risks of engagement:** FAO's engagement with private sector entities can involve risks that need to be effectively managed. Expanding engagement with private sector entities may entail more environmental, social and governance-related reputational risk. Adopting an open approach to private sector partnerships requires adequate mechanisms to identify and manage potential risks that could affect FAO's intergovernmental character and its independence and impartiality. At the same time, in the light of the new approach for a revitalized partnership with the private sector requested in the 2030 Agenda, FAO commits to offer a "proactive" approach to due diligence (facilitating the formulation and implementation of partnerships), going beyond a "defensive" approach (safeguarding the integrity, impartiality and independence of FAO and managing risk), in line with 2017 UN Joint Inspection Unit (UNJIU) report³³.

49. FAO fully align with the UNSDG Common Approach to Prospect Research and Due Diligence for Business Sector Partnerships³⁴ for developing FAO's own risk management, with modernized and streamlined due diligence and risk assessment procedures.

50. Among other aspects, the risks relate to:

- a) conflicts of interest
- b) undue or improper influence exercised by a private sector entity on FAO's work, especially, but not limited to, policies, norms and standard-setting
- c) a negative impact on FAO's integrity, independence, credibility, reputation or mandate
- d) the engagement being primarily used to serve the interests of the private sector entity, with limited or no benefit to FAO
- e) the engagement conferring an endorsement of the private sector entity's name, brand, product, views or activity
- f) the blue-washing of a private sector entity's image through an engagement with FAO
- g) failure of the partnership to provide the expected benefits.

51. The review process will ensure that each private sector partnership adheres to FAO's principles for engagement, relevance to FAO's mandate and alignment with country priorities, and identify risk mitigation measures. FAO continues to safeguard against any conflicting interests that a private sector entity may have with FAO, or undue influence they may exert, or be reasonably perceived to exert, over the Organization's decision-making process or interests.

52. **Exclusionary criteria:** FAO adheres to a set of exclusionary criteria which are applicable to engagement between FAO and the private sector. These criteria refer to business categories and/or practices considered inherently incompatible with values of the UN, its treaties, or other international standards. FAO does not engage with entities that:

- a) are directly engaged in activities inconsistent with UN Security Council Sanctions, Resolutions, Conventions (for example, climate, biodiversity, or transnational organized crime, terrorist financing) or other similar measures, including the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) standards of the International Monetary Fund's Financial Action Task Force (FATF);
- b) are complicit in human rights abuses, tolerate forced or compulsory labour or the use of child labour;
- c) are directly involved in the sale, manufacture or distribution of weapons banned by United Nations treaties, including antipersonnel landmines or cluster bombs and ammunitions, and

³³ JIU/REP/2017/8

³⁴ UNSDG (2020)

- biological, chemical or nuclear weapons, or which otherwise do not meet the obligations or responsibilities required by the United Nations;
- d) are involved in the production and wholesale distribution of tobacco products, or whose revenues are derived from gambling (except lottery) or pornography; and
 - e) have systematically failed to demonstrate a commitment to meeting, or failed to meet in practice, the principles of the United Nations, including statements or principles that are consistent with and reflect the Universal Declaration of Human Rights, the Rio Declaration, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights or the United Nations' system-wide zero tolerance policy on all forms of sexual exploitation and abuse.

53. Partnerships with prospects falling within the exclusionary criteria should not be pursued in principle. However, interactions may still be possible with some companies which are assessed to present significant risks (for example, potential conflict of interest) in exceptional cases, where there would be a substantial benefit to FAO's beneficiaries and stakeholders of a clearly defined engagement supporting delivery of FAO's mandate and mechanisms can be put in place to protect FAO's interests.

54. **Due diligence and risk assessment:** Before engaging with any private sector entity, FAO conducts due diligence and risk assessments to preserve its integrity. FAO sets out a comprehensive set of risk categories for private sector engagement, as well as the accountability framework for its risk assessment process, in an internal due diligence procedure³⁵ (currently being updated). The new internal procedure will be more robust and streamlined than current practices. FAO's financial rules and regulations ensure that the necessary fiduciary risk mitigation and safeguards measures are put in place in terms of financial risks and liability. It requires that, in the absence of Conference approval, voluntary contributions cannot be accepted if they may create obligations for the entire Membership if engagement would directly or indirectly create liabilities to be borne by the Regular Programme. . Emphasis is placed on conducting these assessments at much earlier stages of engagement.

55. **Risk management:** FAO takes a risk management approach to engagement with private sector entities, only committing when the benefits (in terms of direct or indirect contributions and/or resources to fulfil its objectives and mandate) outweigh any residual risks of engagement, as well as the time and expense involved in establishing and maintaining the engagement. Partnerships are monitored to assess whether the appropriate balance is maintained or whether measures to mitigate risks, or to discontinue an engagement, should be taken. Risks of engagement need to be managed and communicated throughout the Organization. This New Strategy also recognizes the need for decentralized decision-making on risk management.

56. **Disengagement and non-compliance with the Strategy:** FAO reserves the right to withdraw from partnerships where there has been a sustained absence of active collaboration between FAO and the partner, or where the partner does not comply with its obligations, either financial or programmatic, as agreed upon under the obligations flowing from this Strategy. Non-compliance can include behaviour that meets FAO's exclusionary criteria; the use of the engagement with FAO for purposes other than supporting the delivery of FAO's mandate, such as for commercial, promotional, marketing or advertising reasons; the misuse of FAO's name or emblem; or other actions by the partner that could have a negative impact on FAO's integrity, independence, credibility, reputation or mandate.

57. A private sector entity's non-compliance with the provisions of this Strategy can have consequences for the entity concerned after due process, including a reminder, a warning, a cease-and-desist letter, a rejection of renewal of engagement or termination of engagement. Any financial

³⁵ FAO's due diligence framework is applicable for all Non-State Actors including the private sector, and it is being updated separately. A list of different risk categories, such as reputation; blue washing; political and legal; financial, as well as the identification of risk mitigating measures will be part of the internal due diligence procedures.

contribution received by FAO that is subsequently discovered to be non-compliant with the terms of the Strategy may be returned to the contributor.

III. IMPLEMENTATION AND IMPACT

58. **Roles and responsibilities:** The FAO core leadership team retains responsibility for overall oversight of implementing the Strategy. The Resource Mobilization and Private Sector Partnership Division (PSR), mandated to support private sector partnerships, has the operational oversight function and will provide support to FAO personnel in technical units and decentralized offices in implementing the Strategy. Its role includes overseeing the effective rollout of the Strategy, coordinating training and guidance for FAO personnel and managing financial contributions received from private sector partners.

59. The Partnerships and UN Collaboration Division (PSU) will continue to play a role in providing guidance on partnerships with NSAs in general and will manage partnership engagement with NSAs other than the private sector. The Project Support Division (PSS) will increasingly be at the centre of both risk management and emerging operational modalities, to demonstrate the performance of a new FAO. In addition to other critical roles, PSS will assume due diligence responsibility for private sector partnerships.

60. **Synergies and complementarities with the Rome-Based Agencies:** Partnerships with the private sector have become a major topic for the Rome-Based Agencies (RBAs). Recognizing that the private sector constituencies of the three agencies will differ, FAO will collaborate to the fullest extent possible on joint initiatives, including knowledge-sharing and good practice, in particular common frameworks for due diligence and environmental, social and governance standards aligned with the SDGs. More concretely, the RBA private sector partnership units hold regular informal meetings with a view to identifying a common agenda and coordinated actions associated with private sector engagement.

61. **Putting the Strategy into practice:** The early action plan presented in Annex 1 describes the main actions required to put in place this Strategy. The key actions are: (1) institutional set-up, capacity development and training; (2) operational policies and guidelines; (3) systems and processes; and (4) cooperation and outreach. The implementation of this action plan will have budgetary implications, which will be addressed in the 2021 and 2022 budgets, by tapping savings, redeploying existing resources or other³⁶.

62. **Reporting:** Because of FAO's intergovernmental nature, and the roles and responsibilities of its Members, progress on the Strategy implementation will be reported using the following mechanisms:

- a) the Annual Report on Partnerships, including private sector engagement
- b) by giving Member and accredited stakeholders access to information on all individual partnerships with private sector entities through the portal
- c) by providing regular updates through the Programme Committee and through regular reporting on the implementation of the Programme of Work.

63. **Monitoring:** Private sector engagement will be monitored on a continuous basis for risk and target achievement. The roles and responsibilities for monitoring the progress of partnerships will remain with the staff members (Responsible Officers) who manage the daily activities of those partnerships. The desired impacts, and the partnerships to which the private sector will contribute (and thus be assessed and measured against), will be set on a case-by-case basis for each engagement, ensuring that the expected results of a specific engagement are always aligned with SDGs.

³⁶ FAO is also looking into secondment opportunities from development partners, the potential for additional human resources from its Associate Professional Officer programme and hiring consultants to bolster its private sector expertise.

64. FAO will review the Strategy on an annual basis and assess the need for updates. PSR will conduct an annual strategic review of all partnerships, focusing a review of achievements and needs in terms of support or practical guidance to aid engagement and risk management. The review will include elements of the successful implementation of this Strategy, with a focus on identifying gaps and/or weak points in how it has been implemented across the Organization.

65. At corporate level, FAO will identify key performance indicators for monitoring, and criteria to assess the added benefits of private sector engagements to overall programme objectives. These will be defined as part of the new Strategic Framework, currently being developed.

66. **Evaluation:** Furthermore, the implementation of this Strategy will be regularly evaluated to assess the overall impact of this Strategy for FAO (e.g. every two years). The results of this evaluation, together with proposed revisions to the Strategy, will be submitted to the Council through the Programme Committee.

Annex 1: Early action plan for implementing FAO's Strategy for Private Sector Engagement (2021–2022)

Action	Responsible unit*	Time frame	Milestone
1. Connect – a proactive approach to outreach and engagement			
1.1. Set up an informal Private Sector Advisory Group (PSAG)	PSR with the selected PS representatives	Q1 2021	Announcement through the Director-General's Bulletin (DGB)
1.2. Develop a web-based partner Connect portal	PSR, CSI	Ongoing	Portal developed and operational
1.3. Identify partnership opportunities and develop concrete partnerships	All levels of FAO	Ongoing	Partnership successfully established
1.4. Develop effective outreach material targeting the private sector	PSR with support from OCC with PSAG	2021	Outreach material developed and disseminated
1.5. Update FAO's private sector web site	PSR, OCC	Ongoing	FAO private sector partnership page exists
2. Support – a transparent and diffuse business model for partnership-building			
2.1. Put in place a new internal due diligence procedure	DDG, PSS with inputs from PSU, PSR and regional offices	Ongoing	A new due diligence framework approved and operational
2.2. Revise/update key internal policy documents to establish the framework for FAO's private sector engagement, notably: (a) a DGB on the partnership review process; (b) a DGB on procedures for the preparation, clearance and signing of agreements	DDG, PSR, LEG with inputs from PSU and regional offices	Q1 2021	Announcement through the DGB
2.3. Prepare new, pre-cleared legal partnership agreement templates based on core principles and identified priorities (HiHI, data exchange, etc.) beyond the current set of memoranda of understanding and work plans	LEG	Ongoing	More pre-cleared templates available through the new Connect portal

2.4. Identify key skills needed and develop training modules on private sector topics for FAO personnel	PSR	Q2–Q3 2021	Training modules developed on relevant topics with certification at YOU@FAO
2.5. Roll out systematic training on private sector partnerships at all levels	PSR	Q4 2021–2022	Training delivered
3. Sustain – measuring impact for scaling-up			
3.1. Establish focal points with private sector expertise across FAO, including the decentralized offices	PSR: overall coordination, all offices and streams, regional offices, country offices	Q3 2021	Creation of an interdepartmental private sector coordination group within FAO, with clearly defined responsibilities
3.2. Ensure effective coordination between the Rome-Based Agencies on private sector engagement to create synergies between them and at UNSDG level	PSR	Ongoing	Regular meetings between Rome-Based Agency private sector units are already established
3.3. Ensure synergies between the development of the Strategy and the Strategic Framework (SF)	DDG with PSR/OSP	Ongoing	Consistency in approach between the Strategy and the SF build, and the Strategy effectively contributing to the operationalization of the new SF
3.4. Produce an annual report on resource mobilization and partnership – highlighting the private sector engagement	PSR	2021	Annual resource mobilization and partnership published

* FAO offices and streams: Legal Office (LEG), Resource Mobilization and Private Sector Partnership Division (PSR), Partnerships and UN Collaboration Division (PSU), Project Support Division (PSS), IT Services (CSI), Office of Communication (OCC)

Annex 2: Draft terms of reference – informal Private Sector Advisory Group (PSAG)

The FAO informal Private Sector Advisory Group (PSAG) is a voluntary group of advisers from a diverse array of private sector entities, established to enhance FAO's collaboration and engagement with the private sector. FAO will consult with the PSAG periodically in scheduled and ad hoc meetings, to request advice and reaction to FAO's proposed areas and methods of engagement and to seek additional input on the implementation of the New Strategy as it is deployed across FAO.

The PSAG will be consulted for advice in two main regards:

Advice on expanding partnerships with the private sector

- on tailoring engagement formats to different types of private sector entity and proposing alternatives to traditional partnership configurations to ensure a wider spectrum of collaborations and allow for greater agility, including at country level
- on mechanisms to accelerate the implementation of engagements with trusted and like-minded companies identified through joint platforms or previous collaborations
- for advice on and reactions to proposed areas and methods of engagement, and to seek additional data and knowledge on a given topic from a private sector perspective
- on developing strategies for engagement with the private sector for issue-based coalitions
- on developing strategies for engagement with MSMEs
- for inputs and advice on approaches to developing suitable metrics, including KPIs and reporting mechanisms
- for contributions to populate a shared calendar of key events relevant to both FAO and the private sector, and other opportunities for presentations and outreach.

Advice on improving FAO internal processes

- for advice on and prototype testing of the one-stop Connect portal, designed for transparency and to increase opportunities for engagement and collaboration with the private sector, including systems improvements, tools and resources
- for advice on and support in developing FAO personnel skills and experience with regard to private sector engagement and specific topics, such as technological innovation and youth entrepreneurship, at all levels within the Organization, with an emphasis on the country level
- for advice on and inputs to FAO communications products targeted at the private sector.

Timelines

PSAG members will contribute ideas at two meetings or teleconferences per annum, with additional ad hoc meetings as required.

Membership and selection criteria

The proposed selection criteria for the members of the PSAG are tentatively as follows, with the goal of ensuring a balance across a wide range of the private sector actors that could provide strategic advice to FAO, as well as insights from a private sector perspective into the priority areas of FAO's new direction of private sector engagement. The Advisory Group will operate at least for two years following the approval by the Council of this Strategy. After two years, FAO will assess whether the term of the Advisory Group should be extended, under which mandate and for how long, and determine the rotation of the representatives. FAO will consider the following aspects when selecting the members of the PSAG:

-
- **diversity** (both geographical and categorical) – entities that could represent the diverse views of private sector actors, ranging from multinational companies and MSMEs including start-ups, as well as farmers’ organisations, industry associations, consortia representing private sector interests, financial institutions, philanthropic foundations, etc. as defined by the Strategy.
 - **relevance** – entities representing different sectors relevant to FAO’s mandate and scope of work across food systems
 - **impact** – entities that present high potential for scaled-up impact
 - **innovation** – entities that can bring the perspective of innovation (not just technological, but also in terms of ideas, systems, models, etc.), which may not necessarily have been tested in FAO-relevant sectors, but which have the potential to change food systems
 - **availability and commitment to the mandate of FAO** – representatives should be available to contribute two to three times a year on a voluntary basis.
 - **balance between partners already known to FAO and potential new partners** – PSAG members may not necessarily be selected from those partners that are already known to FAO, but among new and potential partners, so that a balance is maintained.

Annex 3: Virtual consultations with the private sector

In view of the development of FAO's Strategy for private sector engagement, the Organization engaged in an extensive virtual consultation process, targeting inputs from private sector companies and business organizations. More than 103 representatives of the following private sector entities participated.

Private sector entities

Financial institutions

Absa Bank
Dutch Development Bank (FMO)

Corporations

AFEX Commodities Exchange Limited
Agriprocity
Agro-Negocio para o Desenvolvimento de Moçambique (ADM)
AgUnity
aíScarecrow Technologies
Aramark
Bayer AG
Charoen Pokphand Group Co., Ltd.
Corteva Agriscience
Danone
East-West Seed Knowledge Transfer
Ecobiznet Inc.
Emerging Ag Inc.
Eni S.p.A.
Esoko
Euglena Co., Ltd.
Ferrero
General Mills
Griffith Foods
Grupo Bimbo
IBM Weather Business Solutions
John Deere
Landmark Public Affairs

Mars Inc.
Mastercard
Mondelēz International, Inc.
Modularity Grid
NEC Corporation
Nestle
Olam International, Ltd
PepsiCo
Planet
Sahel Consulting Agriculture and Nutrition Limited
Shell
Tarzan Enterprise Ltd.
TELEFÓNICA MOVISTAR
Urban Farms Global
Unilever
KPMG in East Africa

Private sector consortia & industry associations

Alianza Latinoamericana de Asociaciones de Industria Alimentaria y Bebidas
ANDI Colombia - Cámara de la Industria de Alimentos
Borderless Alliance
China Chamber of International Commerce (CCOIC)
CropLife America
CropLife International
FoodDrinkEurope
Grain and Feed Trade Association (GAFTA)
Global Dairy Platform
Grow Africa
Grow Asia

International Cooperative Alliance (ICA)
International Council of Beverages Associations (ICBA)
International Dairy Federation (IDF)
International Fertilizer Association (IFA)
International Fruit & Vegetable Juice Association (IFU)
International Grain Trade Coalition (IGTC)
International Poultry Council (IPC)
International Seed Federation (ISF)
International Maize Alliance (MAIZALL)
Pan African Agribusiness Consortium (PanAAC)
Private Sector Mechanism
Solutions from the Land
World Business Council for Sustainable Development (WBCSD)

Foundations & non-profit organizations

ADA – Appui au Développement Autonome
Alliance for a Green Revolution in Africa (AGRA)
Anse Fromager Ecological and Environmental Protection Organization (AFEEPO)
Bill and Melinda Gates Foundation
CDP WORLDWIDE
Fundación Microfinanzas BBVA
IKEA Foundation
Syngenta Foundation for Sustainable Agriculture

Academic & research institutions

International Center for Biosaline Agriculture (ICBA)
International Livestock Research Institute (ILRI)

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