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# PROGRAMME COMMITTEE

**Hundred and Twenty-second Session**

**Rome, 6-10 November 2017**

**Evaluation of FAO's contribution to inclusive and efficient  
agricultural and food systems (SO4)**

**MANAGEMENT RESPONSE**

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1. Management welcomes the Evaluation of FAO's Contribution to Strategic Objective 4: *Enable more inclusive and efficient agricultural and food systems*. The evaluation provides a well-supported appraisal of the evolution and impacts of Strategic Programme 4 (SP4) during the period 2014-17, concluding that an agriculture and food system approach is highly relevant for FAO's support to countries. The Evaluation also provides a set of recommendations that will assist in ensuring the delivery of a more integrated approach to agriculture and food system development, building on the Organization's clear comparative advantage in a number of core areas. Management fully agrees with each of the six recommendations.
2. As recognized by the evaluators, although the case for taking an agricultural and food systems approach in supporting countries' achievement of the majority of the 17 SDGs - is strong, the uptake of such approaches is still limited in many countries. The Evaluation notes that countries are often constrained in taking a food systems approach because of critical governance issues related to policy and strategy development, particularly weaknesses in coordination between government ministries. This is compounded by the often conflicting objectives of improving the efficiency of agricultural and food systems while ensuring that agricultural and food system developments are beneficial to vulnerable groups of producers and consumers. FAO agrees that there is an urgent need to communicate the positive impacts of taking an agricultural and food systems approach while at the same time capacitating countries to more effectively use the approach in their pursuit of the achievement of those national objectives in which the agriculture and food sector will play a key role.
3. In providing support to countries, FAO appreciates the requirement, articulated in the evaluation, to work more effectively with a "new" or "non-traditional" set of partners: with sector ministries such as the Ministries of Health and Ministries of Commerce; with the private sector firms that drive agriculture and food system development; and with the consumer associations that are increasingly influential in shaping interventions in food systems. The Evaluation has also notes that the Organization is limited in terms of the modalities available to work effectively with the full range of Ministries and with the private sector. The need to engage more effectively with a broader set of actors is reflected in the revised SO4 Theory of Change presented in the Medium Term Plan (MTP) 2018-21, which takes a significant step towards the development of more integrated support to member countries, particularly in Outcome 2 which focuses support on strengthening countries' capacities to articulate and implement more coherent national strategies and policies in respect to agricultural and food system development. The evaluation correctly argues that stronger partnerships will need to be fostered with organizations mandated to work with specific Ministries and/or already working closely with the private sector, such as UNIDO and ITC.<sup>1</sup> FAO's increased engagement with platforms such as the 10YFP<sup>2</sup> sustainable food systems programme will also facilitate improved collaboration with this broader community of actors.
4. The alignment of the SO4 results framework with a wide range of SDGs reflects the fact that the Strategic Programme acts as a key "cog" in driving many of the processes required to achieve the SDGs. To that effect, strengthened synergies with the other Strategic Programmes are imperative, for example, in shaping food systems' contribution to improved nutritional outcomes for poor urban consumers; in providing the incentives for the adoption of productivity enhancing technology at farm level; in creating improved employment opportunities for the rural poor with a focus on women and youth; and in improving the resilience of those vulnerable groups that are particularly reliant on agriculture and food systems for their livelihoods. During 2014-17, several initiatives have been piloted with the objective of fostering synergies with the other SOs. These include initiatives on strengthening urban food systems; on linking sustainable production to value chain development; and the implementation of the Global Action Programme on Food Security and Nutrition in Small Island Developing States. FAO intends to develop these pilot initiatives into full programmes of support during MTP 2018-21.
5. The existing profile of FAO technical capacities will require that a pragmatic approach be taken to scaling-up FAO's support to agricultural and food systems development, particularly at the

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<sup>1</sup> United Nations Industrial Development Organization (UNIDO); International Trade Centre (ITC)

<sup>2</sup> The 10-year framework of programmes on sustainable consumption and production patterns (10YFP)

country level. The evaluation has identified the limited capacities in key areas supporting SO4 during the period 2014-17, particularly in value chain finance, agribusiness development and food safety.

6. Recognizing the constraints to significantly increasing the number of staff supporting key areas, an equally important strategy in addressing these resource constraints is that of building the capacity of staff throughout the Organization to adopt a more systems driven perspective in formulating support to member countries. FAO, through the collaboration of the SP4 Management Team under the guidance of the Deputy Director-General (Programmes), and technical divisions in ES under the guidance of the Assistant Director-General (ES), will increase efforts to expand the delivery of a sustainable food systems capacity development programme, guided by a Food Systems Strategy Paper. This programme will be extended to all staff through e-learning during 2018-19.

7. The Technical Networks on Sustainable Food Value Chain Development and on Food Safety will be strengthened to ensure coherence of approaches to agricultural and food system development across the Organization. The SP4 Management Team will also upscale its technical support to decentralized offices in the formulation of programmatic support to countries in agricultural and food system development. Further strengthening of the already significant collaboration with technical officers in the Investment Centre Division (TCI), through which the formulation of several Regional Agricultural Investment Plans was supported during 2016-17 is also envisaged in MTP 2018-21.

8. Scaling-up FAO's support to the development of efficient and inclusive agricultural and food systems will require a concomitant scaling-up of resource mobilization efforts. The SP4 team has already worked closely with the Resource Mobilization Division (TCR) in developing a marketing and branding strategy which will be key in its efforts to communicate its programmatic offering to donors and to development partners. The implementation of SP4 is already significantly supported through South-South Cooperation, a vehicle which has the potential to be further upscaled. The existing Regional Initiatives, particularly the Regional Initiative on *Agrifood Trade and Market Integration* in Europe and Central Asia and the Regional Initiative on *Sustainable Production Intensification and Value Chain Development* in Africa are already being used to demonstrate the value added of FAO's support to agriculture and food system development to resource partners at country level. Further efforts will be made to use these existing initiatives, as well as the new programmes on Urban Food Systems, on One Health in Asia and the Inter-regional Initiative on *Small Island Developing States*, as vehicles for resource mobilization.

## Management response matrix

### Management response to the Evaluation of FAO's contribution to inclusive and efficient agricultural and food systems (SO4)

Evaluation recommendation	Management response <b>Accepted</b> , Partially <b>Accepted</b> or <b>Rejected</b>	Management plan			
		Actions to be taken, and/or comments about partial acceptance or rejection	Responsible unit	Timeframe	Further funding required (Y or N)
(a)	(b)	(c)	(d)	(e)	(f)
<b>Recommendation 1:</b> FAO should develop a limited number of identifiable flagships under SP4 that include an all-SP4 programmatic offering, and link with other SPs as required.	<b>Accepted</b>	<p>In operationalizing the revised SO4 Results Framework for the MTP 2018-21, which restructures the SO from one focused on discrete thematic areas to one which promotes greater integration across thematic areas, FAO will develop a combination of flagship programmes. These flagships, which will include the Regional Initiatives on Agrifood Trade and Market Integration (REU), and on One Health (RAP), the Inter-regional Initiative on SIDS, and a global programme on Urban Food Systems, will be used to deliver a more programmatic approach through the integration of relevant priority areas of SP4 and the strengthening of linkages with the other SPs.</p> <p>The development of the flagship programmes will be informed by the national and regional sector strategies and investment plans formulated with FAO's support, so as to facilitate the provision of FAO's technical assistance to their implementation.</p>	SP4 MT DDP SPs OSP OSD ES DDN RPLs	MTP 2018-21	N

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<p><b>Recommendation 2:</b> In applying the principles of inclusiveness and efficiency, FAO should customize and adapt its approaches to agricultural and food systems with differing levels of complexity and integration, especially taking into consideration the readiness, constraints and capacities of smallholders to beneficially and sustainably integrate into markets and a diversity of value chains. To be effective, programmes at the national level should strike a good balance of upstream aspects - (e.g. resolution of trade measures and trade facilitation issues) -and downstream aspects - (e.g. strengthening value chain actors in less developed countries to respond efficiently to opportunities). Adequate capacities to backstop these programmes should be prioritized.</p>	<p><b>Accepted</b></p>	<p>FAO will implement a capacity development programme for staff to develop their capacities to assist countries in identifying and supporting the delivery of priority interventions, accounting for the level of agricultural and food system development and informed by the specific national objectives that the country is seeking to pursue.</p> <p>In its work supporting the development of value chains FAO will give greater attention to aspects that provide the greatest scope for the integration of small scale operators into markets. In doing so, FAO will increase the provision of technical assistance to International Finance Institutions in the design and implementation of large scale investments in agricultural and food system development.</p> <p>By better focusing its technical resources on country level delivery, strengthening its Technical Networks through the provision of programmed resources and infrastructure, FAO will ensure that its capacity to effectively support countries is strengthened in a number of key areas (food safety, value chain finance, agribusiness, trade), particularly in decentralized offices.</p> <p>FAO will also strengthen engagement with partner organizations, such as with UNIDO through the 3ADI+<sup>3</sup> to leverage additional technical capacities in the priority areas of agricultural and food system development.</p>	<p>SP4 MT DDP ES OSP OHR SPs RPLs</p>	<p>End-2018</p>	<p>N</p>

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<b>Recommendation 3:</b> FAO should improve internal and external communications on programmatic offerings under SP4.	<b>Accepted</b>	<p>Leveraging on its successful Sustainable Food Value Chains Technical Network, FAO will intensify efforts to raise the awareness of its country representatives on opportunities for supporting countries to develop their agricultural and food systems in line with national objectives. This will be achieved through the development and communication of an FAO Food Systems framework paper, further rollout of a capacity development programme and through more systematic use of the Corporate Outcome Assessment and the CPF formulation process.</p> <p>FAO will give greater attention to the communication of the impacts of its many programmatic offerings under SP4 in order to increase awareness amongst member countries and development partners of the support that the Organization is well positioned to provide.</p> <p>At Headquarters, this will include an increase in outreach to the Permanent Representatives to FAO, recognizing their key role in sensitizing their Governments to the importance of taking an integrated approach to agricultural and food system development.</p> <p>At the country level, it will be achieved through the provision of support to decentralized offices to engage in targeted communication and marketing to key government counterparts and resource partner country delegations.</p>	DDP ES OCC TCR	End-2018	N

<sup>3</sup> Accelerated Agribusiness and Agro- industry Initiative Plus (3ADI+)

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<p><b>Recommendation 4:</b> FAO should strengthen the strategy with and capacities for resource mobilization under SO4. In particular, evolve more innovative approaches for resource mobilization at the regional level, in order to unlock to tap the potential in many countries where there is momentum for agricultural and food systems approaches and increasing trends toward trade openness. Government co-funding and more effective engagement with regional development banks will become increasingly necessary, with due to the downscaling of donor funding in non LDC countries.</p>	<p><b>Accepted</b></p>	<p>FAO will develop a resource mobilization plan based on a clearer articulation of the value proposition that the Organization brings to agricultural and food system development. This will include the identification of key potential donors to support the implementation of the above-mentioned flagship programmes at the country level.</p> <p>Greater support will be provided to country offices in the formulation of projects (including UTF projects in the case of middle-income countries) and in supporting their engagement with donors by building on recent examples of SP4 provisioned support to Bangladesh and the Gambia in project formulation, and in assisting countries in the identification and design of trade-related projects.</p> <p>FAO will strengthen the close collaboration between SP4 and TCI both in the provision of support to countries and regional economic communities in the development of agricultural investment plans and in accessing blended financing, and in enhancing private sector investment in agricultural and food system development in support of the SDGs.</p> <p>FAO will strengthen collaboration between its Liaison Offices and the SP teams in recognition of the key role that Liaison Offices can play in resource mobilization efforts given their proximity to key donors and partner organizations.</p>	<p>SP4 MT DDP TCI TCR RPLs OSD</p>	<p>End-2018</p>	<p>N</p>

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<p><b>Recommendation 5:</b> Mechanisms and policies to partner with the private sector and IFIs should be reviewed so that there are no unnecessary bottlenecks.</p>	Accepted	<p>FAO through DPS will increase its support to decentralized offices in establishing partnerships with the private sector. Training for Partnership Officers in regional offices will be followed-up with regular support to assist in addressing opportunities, to examine specific aspects which may pose corporate reputational and other risks, and to support country offices throughout negotiations to ensure appropriate alignment with FAO's priorities.</p> <p>On the basis of growing experience in engaging the private sector as partners, FAO will review its existing policies to ensure that a balanced approach, reducing constraints to engagement with the private sector, which guarding against reputational risks, is maintained.</p> <p>FAO will continue to strengthen its partnerships with UN agencies that have more direct engagement with the private sector: with UNIDO in the design and implementation of the 3ADI+; with ITC through the development of an MoU to provide support to public-private sector alliances; and with the GEF and GCF<sup>4</sup> Secretariats in the mobilization of climate-related resources towards agricultural and food system development.</p> <p>FAO will also increase its level of engagement within the 10YFP sustainable food systems programme which includes a significant number of private sector partners.</p>	SP4 MT DDP DPS TCI DDO RPLs	End-2018	N

<sup>4</sup> Global Environment Facility (GEF); Green Climate Fund (GCF)

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<b>Recommendation 6:</b> SP4 should ensure stronger consideration of increased focus on cross-cutting issues, including gender, climate change and nutrition, in order to better meet the objective of enabling inclusive and efficient agricultural and food systems.	<b>Accepted</b>	<p>FAO will seek to position itself as a core agency in the leadership of the GEF7 Impact Area on Food Systems to assist directing climate-related investments in support of agricultural and food system developments.</p> <p>FAO will further strengthen and better mainstream its support to countries to address issues of malnutrition through appropriate food system developments, including a specific focus on Small Island Developing States through the Global Action Programme on Food Security and Nutrition in Small Island Developing States.</p> <p>During the MTP 2018-21, FAO will expand its focus on gender to areas related to international agreements and voluntary guidelines, such as the Voluntary Guidelines on Small Scale Fisheries<sup>5</sup> and RAI,<sup>6</sup> using partnerships with organizations such as UN Women and UNCTAD<sup>7</sup> as the primary mechanism for doing so.</p>	DDP ES CB RPLs	MTP 2018-21	N

<sup>5</sup> Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries in the Context of Food Security and Poverty Eradication (the SSF Guidelines);

<sup>6</sup> CFS Principles for Responsible Investment in Agriculture and Food Systems (RAI)

<sup>7</sup> United Nations Conference on Trade and Development (UNCTAD)