

Evaluation of FAO's Role in Investment for Food and Nutrition Security, Agriculture and Rural Development

Final Report

ANNEXES

| | | |
|----------------|---|-----------|
| Annex 1 | The Evolving Development Environment | 2 |
| Annex 2 | Report of the Multi-Stakeholder Survey | 14 |
| Annex 3 | Investment Centre Human Resources | 40 |
| Annex 4 | Investment Centre Financial Resources: Revenue and Expenditure | 46 |
| Annex 5 | The Original Cooperative Agreement with the World Bank (1964) | 49 |
| Annex 6 | Evaluation Inception Report | 54 |
| Annex 7 | Composition of the Evaluation Team | 81 |
| Annex 8 | List of Institutions and Persons Met | 83 |
| Annex 9 | Bibliography | 92 |

Annex 1

The Evolving Development Environment

1. Development Consensus on Increasing Financing for Development and Maximizing Development Results: 2000 to 2012

1. In 2000, the Millennium Development Goals brought new energy and direction to the global effort to eradicate poverty and achieve sustainable, and equitable development. The goals were vital, measureable, and the expectations were clear. Within two years the international community – developed and developing countries, the United Nations and the IFI's – came together at the Financing for Development Conference in Monterrey, Mexico to address “the challenges of financing for development around the world, particularly in developing countries ...to mobilize and to increase the effective use of financial resources ...needed to achieve the MDG's and other internationally agreed development goals.”¹

2. The new development consensus replaced growth with a more holistic human development framework as the objective and measurement base for aid effectiveness. At Monterrey, the international community acknowledged the weaknesses of development practice and pledged to fundamentally change how the community worked together. They replaced the traditional construct of donor-recipient with a new partnership based on mutual accountability and respect for country leadership. Bilateral and multilateral donors and international development institutions pledged to deliver more predictable and harmonized aid with reduced transactions costs achieved by aligning donor resources with country strategies. Developing country governments agreed to take ownership for good governance of ODA and increase their ownership in the design and implementation of country poverty reduction strategies in order to achieve country development and poverty results and thus the MDGs. All players agreed to measure development results. Monterrey pulled together 20 years of development reforms and global norming conferences.

3. The Monterrey conference sought to broaden the scope for increased development financing (see Box 1).² The *private sector* was encouraged to incorporate the hard-won lessons of development into their own practices to ensure more equity among countries, between the men and women and to embrace sustainability as good business practice. The UN and other international actors were encouraged to work through public-private partnerships and to increase access to private funding through systemic change and innovation in financing. Support to countries in building capacity to attract investment was woven through conference discussions and conclusions.

¹ UN. 2002. Monterrey Consensus on Financing for Development. Page 5.

² Ibid. Page 10

Box 1: Monterrey Consensus for Financing for Development – The Private Sector as Development Actors and Partners 2002

Governments provide the framework for their operation, while businesses, for their part, are expected to engage as reliable and consistent partners in the development process. We urge businesses to take into account not only the economic and financial but also the developmental, social, gender and environmental implications of their undertakings. In that spirit, we invite banks and other financial institutions, in developing countries as well as developed countries, to foster innovative developmental financing approaches. *We welcome all efforts to encourage good corporate citizenship and note the initiative undertaken in the United Nations to promote global partnerships.*

We will support new public/private sector financing mechanisms, both debt and equity, for developing countries and countries with economies in transition, to benefit in particular small entrepreneurs and small and medium-size enterprises and infrastructure. Those public/private initiatives could include the development of consultation mechanisms between international and regional financial organizations and national Governments with the private sector in both source and recipient countries as a means of creating business-enabling environments.

4. Determined follow up to the Monterrey Conference took the form of four High Level Fora (HLFs) in Rome (2003), Paris (2005), Accra (2008)³ and Busan (2011).⁴ The Rome Declaration addressed harmonization of donor practices. The Marrakech Memorandum from 2004 meetings and the Paris Declaration deepened the commitment to and launched an international community of practice for *Managing for Development Results* (MfDR), spurred on by advances achieved using in results-based management (RBM) in the “New Public Management” reforms in the west and in some middle income countries.⁵

³ Paris Declaration and Accra Agenda for Action Available at <http://www.oecd.org/dac/aideffectiveness/parisdeclarationandaccraagendaforaction.htmff>

⁴ Busan Partnership for Effective Development Cooperation. (2011). Fourth High Level Forum on Aid Effectiveness, Busan, Republic of Korea. December. Available at: http://www.aideffectiveness.org/busanhlf4/images/stories/hlf4/OUTCOME_DOCUMENT_-_FINAL_ENG.PDF

⁵ Kusek, Jody Zall and Arunaselam Rasappan. (2001) Outcomes Based Budgeting Systems – Experience of Developed and Developing Countries (World Bank) is an example of the kinds of analysis being shared in community of practice on MfDR. (unpublished but available from the evaluation team)

Box 2: Managing for Development Results

“Results-based management is an approach aimed at achieving important changes in the way that organizations operate, with improving performance in terms of results as the central orientation. It provides the **management** framework and tools for strategic planning, risk management, performance monitoring and evaluation. Its main purpose is to improve organizational learning and to fulfill accountability obligations through performance reporting. ...Managing for Development Results (MfDR) goes further, incorporating newer ideas about partnership, country ownership and collaboration.”

Managing for Development Results, Principles in Action
OECD and The World Bank Source Book

5. MfDR required, it was understood, required a whole systems approach to strategic management that put the use of measureable targets and performance data at the center of planning, implementation and evaluation. True to the origins of RBM in the New Public Management, the initial impetus was to develop stronger capacity for country and sector strategy design and management. It was intended that evidence-based management techniques would result in continuous performance improvement by donors and agencies in partnership with country governance. Country-owned strategies and results frameworks were to be the magnet aligning donor and international agency performance management with the country's objectives and targets. It was anticipated that the Paris and Accra reforms would end an era of “increasing aid bombardment, mismanaged accountability, and wasteful competition that undermines local capacity, causes goal displacement and disempowerment of country leadership.”⁶

6. The Paris Declaration included an action-oriented, results-driven implementation plan with a 2010 completion date. The action plan was reinforced and expanded in the Accra Agenda for Action where one of the most important outcomes was the inclusion of international and local civil society organizations as adherents to the aid effectiveness agenda. Mutual accountability was further strengthened with the agreement that donors and countries would jointly assess, through existing and increasingly objective country level mechanisms, mutual progress in implementing agreed commitments on aid effectiveness.

7. *The Evaluation of the Implementation of the Paris Declaration*: in 2011, the second of a two-phased international, independent evaluation found that of the five Paris principles, country ownership had advanced the farthest, while alignment and harmonization progressed more unevenly, and managing for development results and mutual accountability advanced the least – despite the fact that they were the cornerstone of the effectiveness campaign.

8. The developed countries and agencies which have the resources and capacity for change, performed less well than developed countries. Causes for mediocre donor and agency performance included an initial technical interpretation of results and a loss of political momentum. Among other constraints, a key problem identified was a “focus on compliance” and risk adverse cultures. It was found that the capacity and trust in country systems has remained a major issue. Donors waited for significant change by countries – a “wait and see” approach before attempting to change their own institutional arrangements. The study concluded that the action plan timeframe was overly ambitious given the broad institutional transformation required.

9. The evaluation also stressed the importance of continuing the campaign with increased political will since progress had been achieved. It found that the decade-long global campaign on aid effectiveness

⁶ Operations Evaluation Department, World Bank. 1999. OED Reach: Aid Coordination: Based on the Review of Aid Coordination and the Role of the World Bank. November 1999.

had pulled together and focused global attention on experience-based measures to improve development cooperation. It strengthened global norms of good practice, improved the quality of aid partnerships based on strengthened levels of transparency and trust, and supported rising aid volumes. The country evaluations done found that “Declaration type” measures had contributed to more “focused, efficient and collaborative aid efforts particularly at the sector level. In health sector, there was plausible evidence of better results with good prospects for sustainability.”⁷

10. The relevance of the Paris principles, including managing for development results, was reaffirmed and reinforced at the Fourth High Level Meeting in Busan, Korea in November–December 2011.

11. Busan marked a transformation *potentially* more potent than Monterrey. It was a “truly inclusive dialogue bringing together the broadest set of actors with a stake in development – traditional donors, partner countries in the developing world, providers of south-south cooperation, civil society, the private sector...”⁸ and parliamentarians.

12. The Busan meetings took account of the growing complexity of international development. Busan participants represented ministers and high-level officials from 150 countries and 45 international entities. They agreed to incorporate the growing involvement of new actors into the High Level Fora, from middle-income countries who are not OECD-DAC members, global funds, the private sector, as well as civil society who had been fully integrated into Busan’s meetings thanks to progress made at the Accra High Level Meeting.

13. The change has been dramatic. As a result of Busan, the DAC based Working Party on Aid Effectiveness, which had supported the HLF, dissolved itself in June 2012. The Global Partnership for Effective Development Cooperation took its place. It will be backstopped by the UNDP and the DAC. Its purpose is to monitor progress on the Busan commitments; to maintain and strengthen political support for more effective development co-operation; to facilitate knowledge exchange and lesson learning; and to support the implementation of the Busan commitments at the country level.

14. The new Partnership is a reflection of a “new style of global governance for the 21st century that tries, from the outset, to be inclusive of state and non-state actors.”⁹ The tripartite leadership of Partnership’s Steering Committee includes a representative of an emerging economy, a DAC country and a partner country. The rotating membership on the committee is weighted towards developing countries and includes the full range of development actors represented in Busan. It is charged with preparing the agenda and work streams for regular ministerial meetings (HLF) as well as overseeing the monitoring framework.

15. The new partnership faces many challenges. Will the hard-won advances accomplished through the DAC for securing effective aid be obscured? Will accountability frameworks that currently cover only the traditional donors and host countries grow to include mutual accountability among all development partners, and accountability to citizens? The building blocks of Monterrey, Paris and Accra are incorporated into the Busan commitments. While the need for progress towards *concrete* development results, supported by quantifiable indicators, is unequivocal, whether new indicators will support collective learning, scaling up development as well as accountability for compliance to agreements

⁷ Woods, Bernard and Julia Betts, Florence Etta, Julian Gayfer, Dorte Kabell, Naomi Ngwira, Francisco Sagasti and Mallika Samaramayake.(2011). The Evaluation of the Paris Declaration, Phase 2. Taken from the Executive Summary, presentational PowerPoint and discussions with the team leader. <http://pd-website.inforce.dk>

⁸ OECD-DAC Invitation to the Final Meeting of the Working Party on Aid Effectiveness: Towards A Global Partnership for Effective Development Cooperation. June 28-29, 2012. Paris.

⁹ Kharas, Homi. (2012). The Global Partnership for Effective Development Cooperation. Brookings Institution. Page 4 Available at <http://www.brookings.edu/~media/research/files/papers/2012/6/06%20global%20partnership%20kharas/06%20global%20partnership%20kharas.pdf>

remains a question. What role will UN specialized agencies have in supporting the Partnership and guiding its development towards substantive results with a human face?

2. The Challenge to Multilateralism

16. The Monterrey-to-Busan journey reflects deep changes taking place in post-industrial governance. The world order has seen a paradigm shift in global economic and political balances from the OECD to new powers from the developing world whose new donors define development cooperation in terms of non-interference, non-conditionality, and project support which bring mutual benefits. Their development programs have been implemented outside of established donor fora internationally and in country.

17. The economic crisis has demanded austerity in donor countries resulting in great demands for accountability from aid partners including the multilateral system. The private sector role in generating sustainable growth is a matter of debate in development circles but a matter of action in private sector organizations. Support for multilateralism is flagging in the world's traditional donors and enthusiasm from emerging donors is largely based on the perception that institutional structures tend to be outdated and representation lags the new realities.¹⁰

18. The public square has changed as the Arab Spring, Wall Street and G20 protests attest. A more educated and globally connected citizenry demands greater engagement in decisions that affect their lives. The new principles of transparency and participation that have evolved from public demand are changing the role of governments from single source policy maker and service provider to being the platforms for engaging all sectors of society in solving complex public problems. Business and civil society collaborate with governments and international organizations in developing policy options and delivering services of public value. They also operate on their own in addressing social, economic and environmental objectives on a global scale. For example, Transparency International on corruption, La Via Campesina on peasant rights and the ISO standards on harmonizing industry practice including employment and environment. The continuing communications revolution has escalated capacity to mobilize broad based action, and to draw from widely distributed sources of intelligence to solve problems. Some governments have innovated with crowd sourcing to find solutions, or to create platforms for sharing solutions to public problems. This comes as a complement to the traditional government use of contracts and grants. Governments share their data, set goals and challenge the digital community to create solutions using government data to solve public problems. They use contests and other forms of engagement at lower cost and without pre-determining solutions in the necessary tendering and applications documents required by contracts and grants.¹¹

19. Networked intelligence is being increasingly used in development interventions. The digital divide is narrowing as cellphone technology is reaching the remotest villages. More than five billion people have access to the Internet. With 97% access to a cellphone in countries like Tanzania, more rapid solutions to global and local problems are being achieved at reduced cost through communications networks that both provide and gather information.¹²¹³

¹⁰ North South Institute Conference Report. (2011) The Future of Multilateral Development Cooperation in a Changing Global Order. (See Executive Summary and conference paper by Robert Picciotto (2011) Multilateral Development Cooperation and the Paris Process: The Road to Busan)

¹¹ Don Tapscot, Recivilization: Episode 5: Rebooting Civilization. CBC Radio 2012 <http://www.cbc.ca/recivilization/episode/2012/02/15/episode-five-rebooting-the-public-square/> See also challenge.gov for examples of crowd sourcing. The USA congress has approved prizes of up to \$50 million.

¹² Ibid Tapscot radio interview with MIT

¹³ See also [MIT Center for Collective Intelligence](http://cci.mit.edu/) cci.mit.edu/

20. In this context, many commentators contend that the traditional post-industrial international institutions are collapsing or at least are unable to put together networks rapidly enough to address challenges of increasingly complex human systems. They point to global initiatives by large foundations, the private sector and civil society that have found new and more rapid ways to address global and local problems by taking advantage of large and diverse networks of knowledge and resource mobilization techniques.

21. A provocative paper by ODI (Rogerson) and the Brookings Institution (Kharas)¹⁴ suggests that the aid industry is being disrupted by “high impact philanthropy and non-governmental giving channels, south-south cooperation that is combining trade and finance, and blended public-private funding (for mutual benefit) and the power of climate change finance with its very different allocation logic.” They examine the possibility of impact investment and more direct funding through electronic transfers directly to recipients, dis-intermediating and raising questions of cost/benefit of tax based aid. They note that philanthropy had been growing at double-digit rates and the private sector is becoming increasingly active as a credible development actor.

22. Kharas and Rogerson suggest that these changes will test the relevance of current bilateral and multilateral organizations, especially in light of their analysis of the changing face of poverty. Some may prosper, such as those institutions that have built a good track record in managing earmarked funds for example, but others, such as the UN and EU institutions “could be further exposed through their arguably lower institutional ability and agility to engage with fast moving social enterprises.”¹⁵

3. The Growing Role of the Private Sector and Foundations in Agriculture Development

23. Investing for social impact is increasing every year. A co-author of a recent study for the Rockefeller Foundation on impact investments found “estimates suggest social impact investing is now \$10 billion. Industry leaders see global market potential for impact investing in the north and south of \$600 billion; some estimates put it at \$1 trillion although that seems high. “ His study found that agriculture is one of the top three sectors for impact investing in Africa and Asia.¹⁶

24. For many, perspectives on the role of the private sector in agriculture are tainted for many by for example corporate land grabs that transgress peasant and small landholders’ land rights, corporate restrictions on traditional seed management, and disregard for sustainable management through large-scale monoculture. These are the perspectives that many corporations have heard. They are being pressured by consumer demand, internal leadership decisions to be good global citizens and a growing conviction that doing right is important for long stability and economic growth. It seems also FAO’s warning that access to food needs to increase by 50%¹⁷ by 2050 combined with the toxic combination of the food price crisis, the economic crisis and climate change has been a clarion call to action.

25. At the 2012 G20 over 300 companies from the B20 met with G20 leaders for the first time addressing the G20 forum. The B20 presented an agenda for action for meeting global challenges. An

¹⁴ Kharas, Homi and Andrew Rogerson. (2010). Horizon 2050: Creative Destruction in the Aid Industry. Page 4. ODI Available at: <http://www.odi.org.uk/resources/docs/7723.pdf>

¹⁵ Ibid Page 22

¹⁶ Interview with Dr. Edward T. Jackson, Carleton University, (Ottawa: September 30, 2012.) For an overview of the growth of the impact investing sector worldwide, see K. Harji and E. T. Jackson, "Accelerating Impact: Achievements, Challenges and What's Next in Building the Impact Investing Industry," Rockefeller Foundation, New York, 2012.

¹⁷ Senior staff note that 30% waste of food puts unneeded pressure on the food system as does growing obesity thus their warning that a 50% increase is not in production but in access which would include waste reduction, improved dietary habits as well as increased agricultural production and productivity,

ambitious program for addressing the looming 2050 food crisis was put forward. The B20 Task Force on Food Security recommendations aimed to:

“Encourage private-sector engagement and to achieve greater alignment among all stakeholders in order to accelerate and implement national food and nutrition security programs ...(emphasizing) the linkages among food security, environmental sustainability, and economic opportunity, and plac(ing) the farmer at the center of multi-stakeholder efforts to improve agriculture productivity and food security. In particular, the task force encourages a shift from aid to entrepreneurship in its approach to empowering farmers, with a goal of building capacity and a market environment that will enable farmers to thrive as the frontline providers of sustainable food security.”¹⁸

26. The Task Force challenged governments to set clear measureable goals and pledged significant investment on own their part to meet specific concrete targets:

The private sector should increase investments in agriculture to help reach the twin goals of increasing production and productivity by 50 percent by 2030 and improving the livelihood of smallholder farmers. · Sectors represented by the task force plan to invest an additional **\$10 billion to us\$15 billion USD**, expanding market and input access for 3 million to 5 million smallholder farmers, and improving the in-come and productivity of 2 million to 3 million women farmers.

27. They emphasized that investments should ensure the sustainable use of resources, including farming inputs, and should expand market access for smallholder farmers, especially women.¹⁹

28. The B20 Task Force drew from the 2012 World Economic Forum’s (WEF) *New Vision for Agriculture*²⁰ plan to transform agriculture was launched. The development of the New Vision brought together major global corporations, national companies, academia, concerned civil society organizations and research institutions. The initiatives turned to organizations like FAO as “knowledge partners” to inform the initiative about the challenges involved with feeding nine billion people by 2050. It developed a theory of large-scale agricultural systems change and mapped the theory with concrete results and indicators (levers), which recognize complex relationships. The consortium of firms and organizations behind the New Vision of organizations committed to contribute to a 20% improvement per decade in each of three key goals areas of: economic growth and productivity, food security and nutrition, and environmental sustainability. The underlying conviction set out is that “*producing more food with fewer resources while reinvigorating rural economies will require intensive collaboration, increased investment and innovation among all stakeholders.*” The plan sets out a partnership management model to accomplish the goals at global and local levels. It is an impressive accomplishment and reinforces the Paris Declaration and Busan effectiveness agenda including: “*To ensure mutual accountability, all*

¹⁸ B20 (2012) B20 Task Force Recommendations: Concrete Actions for Los Cabos. Page 4. Available at: <http://b20.org/documentos/B20-Task-Force-Recommendations.pdf>

¹⁹ Ibid Page 4

²⁰ World Economic Forum (2012) Putting the New Vision for Agriculture into Action: A Transformation Is Happening, a Report by the World Economic Forum’s New Vision for Agriculture Initiative. Prepared in collaboration with McKinsey & Company. Available at: <http://www.weforum.org/reports/putting-new-vision-agriculture-action-transformation-happening>

stakeholders should agree on transparently monitoring and regular reporting of progress to the head of government through a high-level dashboard.”²¹

29. The New Vision initiative has facilitated the formation of partnership platforms to kick-start transformation initiatives in now in eleven countries. These platforms are designed to engage global partners to support achievement of local goals for sustainable agricultural growth. The approach designed after significant consultation and advice from management firms and public management faculties are illustrated below. The WEF New Vision initiative has also been one of three principle partners in the Grow Africa initiative (see below).

Figure 1: World Economic Forum Initiative Transformation Model

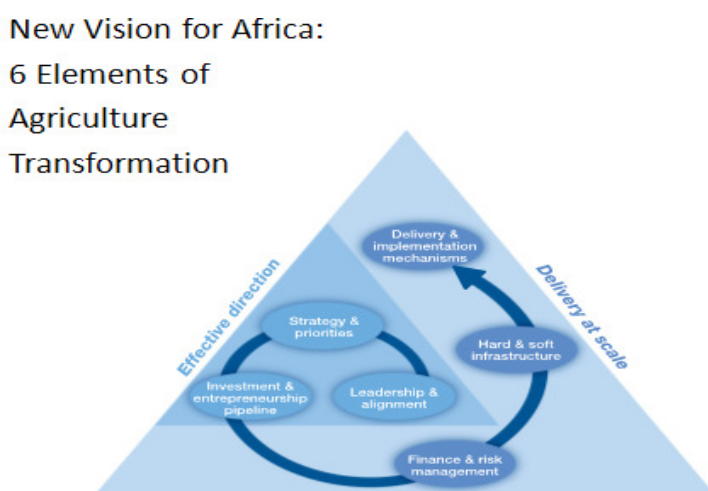
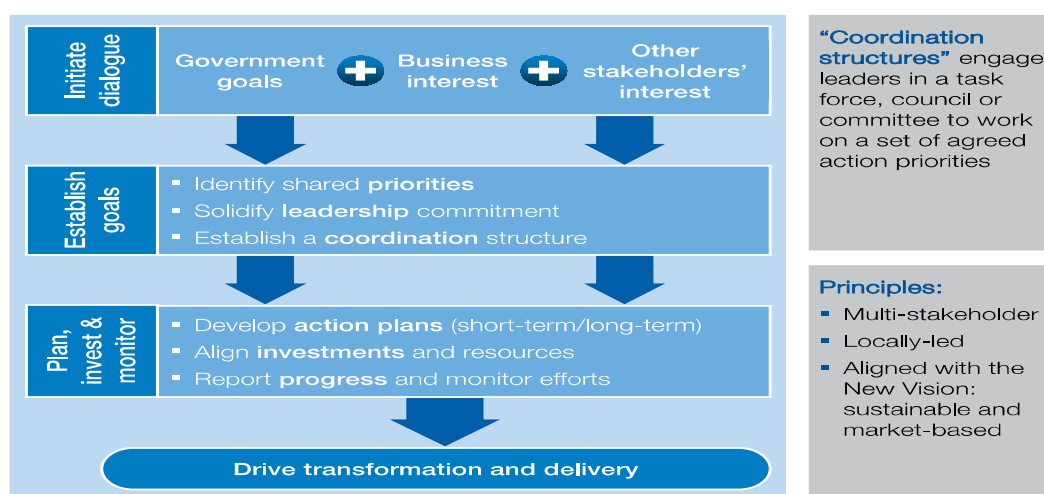


Figure 2: WEF Partnership Platform Model 1²²

The New Vision for Agriculture Partnership Platforms: How it Works



²¹ Ibid Page 16

²² Ibid Page 19

30. Interviews with IFC and others reinforce the observation made from the World Economic Forum initiative and it is, that international and national firms are evolving beyond Corporate Social Responsibility to embed development goals and measures in their corporate strategies. IFC agribusiness and forestry officials are working closely with the agribusiness food producers and suppliers who, in response to consumer pressure and long-term corporate risk analysis, are increasingly concerned about their development impact. Firms such as Mars and Unilever are working with IFC to harmonize their outcome indicators in order to “speak the same language of sustainable results.” They want to move beyond measuring their effects in terms of farmer contact²³ and the level of yields to outcomes. They are discussing common industry indicators for managing their operations in developing countries in ways that contribute to improving livelihoods and perhaps nutrition levels in the communities involved in supplying their firms with goods and services including environmental services.

31. These trends coincide with firm level initiatives involving serious investment portfolios and partnerships for development programs. For example, Coca Cola’s Water Stewardship and Replenishment program has invested \$247 million in 386 projects in 94 countries, increasing water access for 1.6 million beneficiaries, including supplying water to 250 thousand girls and women in Africa and supporting 12,190 farmers. This has been carried out with 532 external partners.²⁴ Coca Cola also reports on its measureable and time bound goals for its own water efficiency improvement and compliance of firms in its supply chain with its water sustainability standards.

32. By 2011, the Bill and Melinda Gates Foundation had committed \$1.72 billion to initiatives in agriculture policy and statistics, market access, farmer productivity and science and technology. In November 2011, the Foundation presented to FAO staff a “refreshed” agriculture development strategy which is results-based and driven by Bill Gates’ increased interest in agriculture development as a path out of poverty for the majority of the world’s poor. The 2011 strategy is focused on specific countries and crops and will emphasize support to women in agriculture. The Foundation intends to build strategic alliances to support their goals including: with China and Brazil support for knowledge to Africa, with Global Alliance of Food Security Program²⁵ and other multilateral efforts, with the CGIAR system to support its renewal, and with the UN food-based agencies for better alignment.²⁶ AGRA, of course, is a Gates foundation initiative.

33. *Grow Africa*²⁷ launched at the May 2012 World Economic Forum (WEF) is a platform for public and private investment in agriculture in Africa convened by the African Union, NEPAD and World Economic Forum corporate participants. Also in May, the G8 and African leaders announced the *New Alliance for Food Security and Nutrition*. It is a ten-year commitment to achieve agricultural growth, and to lift 50 million people out of poverty with a special emphasis on increasing private sector investment. It is supportive of Grow Africa and was linked to Letters of Intent that were signed in Addis by over 45 local and multinational companies to invest over \$3 billion across the agricultural value chain in *Grow Africa* countries. Over 60 global and African companies signed the *Private Sector Declaration of Support*

²³ Interview with German Vegarrs, (July 2012). IFC Global Head, Agribusiness and Forestry. Note that IFC has doubled its investment in agriculture in the last 10 years to \$4 billion with a reach that has gone from 200,000 to 1 million farmers – a measurement of incremental change in reach before and after the loan.

²⁴ Coca Cola. (2012). Water Stewardship and Replenishment Report. See http://www.thecoca-colacompany.com/citizenship/pdf/TCCC_WSRR_2012_FINAL.pdf

²⁵ GASP is based on aid effectiveness principles and better coordinates donor support for strategic, country-led, agricultural and food security plans that produce results on the ground. It was launched in April 2010 to assist the G20’s support for agriculture and food security to both the public and private sectors. It has both a public sector and private sector financing window.

²⁶ Pingali, Prabhu (11/28/11). Powerpoint Presentation: Agricultural Development – A refreshed strategy. Available at: www.slideshare.net/ifad/bill-and-melinda-gates-foundation-agriculture-strategy-presentation-26-sept-2011-at-ifad

²⁷ Information on Grow Africa available at: <http://www.weforum.org/videos/grow-africa-2012>

for African Agricultural Development outlining their commitment to support African agriculture and public-private partnerships in a responsible manner.

34. The Global Food Safety Partnership is a new initiative of actors (private sector producers, processors and retailers, regulatory agencies, consumer advocates and technical service providers) in the “global food chain” who approached the World Bank with a desire to create a new collaboration to build capacity in developing and middle income countries in order to improve the safety of the global food supply. While still under discussion, the plan preparation has been funded with seed capital coming from Mars Incorporated, Waters Corporation and USAID. The World Bank has also funded some initial activities through a \$1.2 million grant. Implementation of the global program would be supported by a multi-donor trust fund with contributions for the private sector and the public sector anticipated to reach approximately US \$45 million for a five-year program which will provide demand-drive capacity building and advisory services, address critical gaps in coordination of capacity building initiatives through open sources knowledge sharing and communities of practice and develop the governance arrangements for a sustainable global public-private partnership,

35. While several partnerships for food safety have combined private sector agribusinesses, or public sector organizations, the Global Food Safety Partnership aims to create a forum where all concerned actors – private and public, consumer groups and academia, international organizations and financial institutions – would be able to participate. It aims to bring together global actors to collaborate on capacity building that will improve the safety of the global food supply.

36. The private sector and foundations, then, are initiating, or participating in, global alliances to address agriculture development issues of sustainability, water, food safety, fair labor practices, smallholder productivity and access to global markets. The pattern emerging is collaboration across the spectrum of stakeholders who commit to results-based partnerships. The hope is that the orchestration, the better and sequencing and management of inputs can create an agricultural transformation, “creating a step change in agriculture-sector investment, productivity and sustainability.” (WEF)

37. In sum, the public sector, north and south, has reached out to the private sector and civil society as co-policy makers and co-deliverers. (E.g. Accra and Busan, Grow Africa). The private sector in turn, whether individually or through its own fora such as the WEF, is learning from and partnering with official and non-official development community to contribute to sustainable and equitable development.

4. Quantitative Trends in Agricultural Investment

38. Agricultural investment can be public or private, domestic or foreign. But despite its importance as a key determinant of growth in productivity and the growing global demand for food, it is not easy to determine the extent of investment to low- and middle-income countries from its multiple origins. No single data set provides a reliable record of trends in investment or resource flows to agriculture, or distinguishes simple expenditure from the genuine investment that increases the capital stock.²⁸

39. Nevertheless, there is broad agreement that the largest single source of investment in agriculture is the investment made by farmers themselves. This is followed by government investment, foreign direct investment (FDI) and official development assistance (ODA).^{29, 30} Annual investment in agricultural

²⁸ Lowder, Sarah K. and Brian Carisma. 2011. Financial resource flows to agriculture: A review of data on government expenditures, official development assistance and foreign direct investment. FAO: Rome.

²⁹ The State of Food and Agriculture 2012: Investing in Agriculture for a Better Future. FAO, Rome. Draft August 8, 2012. Page 27.

³⁰ In 2009 in all sectors, FDI to low- and middle-income countries was estimated to be six times as big as ODA, i.e., US\$823 billion compared to US\$133 billion. Source: Kusi Hornberger, Investment Climate Department, World Bank Group.

capital by farmers exceeds government investment by more than three-to-one, and other resource flows by a much larger margin. However, this evaluation is focused only on ODA and large-scale FDI.

40. Globally, ODA dedicated to agriculture peaked in the 1980s, declined in the 1990s and began to rise again in 2005, but overall, it still remains lower than it was in the 1980s.³¹ The World Development Report of 2008 drew global attention to the fact that the share of agriculture in ODA declined sharply in relative terms from a high of 18 percent in 1979 to 3.5 percent in 2004 and in absolute terms from about \$8 billion in 1984 to US\$3.4 billion in 2004.³² ODA, from multilateral sources, declined further than from bilateral sources, and ODA for agriculture in Asia fell more steeply than ODA to agriculture in Africa. However, since 2005, ODA to agriculture has risen³³ and for 2007-2009, bilateral and multilateral commitments to agriculture, broadly defined, have averaged US\$7 billion annually.³⁴

41. For Sub-Saharan Africa, total ODA for agriculture increased in the 1980s, but by 2005 it had fallen back to the same level as 1975, in real terms.³⁵ Today, although the share of ODA committed to Sub-Saharan Africa is rising, agriculture still attracts proportionately less ODA than it represents in the overall economy of the continent, and less per person engaged in agriculture than it did in the 1980s.³⁶

42. The proportion of government expenditure for agriculture in low- and middle-income countries fell consistently between 1980 and 2007 in all regions except Europe and Central Asia. In Sub-Saharan Africa, the proportion of government expenditure for agriculture fell from 6 percent in 1980 to 3.6 percent in 2000, and to 2.7 percent in 2007.³⁷ This decline took place despite the 2003 Maputo Declaration on Agriculture and Food Security in Africa that established the Comprehensive Africa Agriculture Development Programme (CAADP) and called for an allocation of 10 percent of government expenditure to agriculture and rural development within five years. However, by 2010, only seven Sub-Saharan African countries had attained that target.³⁸

43. This effort to reverse the decline in investment in agriculture gained momentum from the food price crises of 2007-2008 and 2001-2011. Since 2008, the quantity of investment of ODA in agriculture has risen and the interest of private investors in developing country agriculture has also expanded. For example, the World Bank Group approved an agriculture action plan in 2009 to increase support for agriculture from a baseline of \$4.1 billion in 2006-2008, to \$8.3 billion annually in 2010-2012 (which it exceeded in 2011-2012). IFAD also expanded its operations, committing to loans and grants of \$1 billion annually for 2010-2012. Nevertheless, for all sources, gross disbursements still lag well behind commitments.³⁹ Pledges made at the 2009 G8 meeting in L'Aquila, Italy may result in further increases, but it is still unclear if these funds – US\$20 billion over three years – are truly additional.

44. FDI is becoming increasingly important to agriculture as foreign investors seek to secure natural resources and long-term food supplies, but reliable data is limited. FDI data for all sectors is available for a very limited number of countries but it is estimated that for 2007 and 2008 of the more than \$900 billion in FDI that went annually to low- and middle-income countries, less than 0.4 percent went to agriculture. An unpublished UNCTAD data set estimates FDI to agriculture in 2006-2008 at US\$3 billion annually.⁴⁰

³¹ Lowder and Carisma. Op cit. Page 7.

³² World Development Report 2008: Agriculture for Development. World Bank. Page 41.

³³ Lowder and Carisma. Op cit. Page 23.

³⁴ Lowder and Carisma. Op cit. Page 21.

³⁵ World Development Report 2008. Op cit. Page 42.

³⁶ Lowder and Carisma. Op cit. Page 25.

³⁷ The State of Food and Agriculture 2012. Op cit. Page 47.

³⁸ These countries are: Ethiopia, Niger, Mali, Malawi, Burkina Faso, Senegal and Guinea.

³⁹ Lowder and Carisma. Op cit. Page 23.

⁴⁰ UNCTAD, 2009. World Investment Report 2009: Transnational Corporations, Agricultural Production and Development. New York and Geneva, United Nations cited in Lowder and Carisma, 2011. Page 29.

However, much of the increase noted in FDI is attributable to more countries reporting, and inflows of FDI to the off-farm food and beverage sector are much larger than inflows to on-farm production.^{41, 42}

45. Looking ahead, there are various estimates of the quantity of investment needed to feed the world in the future, given the forecast growth in global population, higher incomes, changing dietary patterns and the challenge of climate change. FAO's own estimate suggests that an additional \$83 billion will be required annually to close the gap between what low- and middle-income countries have invested annually from all sources over the last decade (\$142 billion), and what is needed through 2050 (\$209 billion), i.e., investment in agriculture must increase by 50 percent by 2050.⁴³ Furthermore a traditional source of funding, ODA, fell by 2.7% in 2011 to a net \$133.53 billion.⁴⁴

46. The initiatives covered in this chapter signal the growing acceptance of the private sector as a serious development partner. Business and industry bring advanced strategic and management skills, scientific and technical expertise to the table. Increasingly they offer new forms of "patient investment" and "impact investment." With government and civil society they blend and combine capacities in new and unexpected ways. They are experimenting with a whole systems approach along the full agriculture value chain and include social objectives.

47. The evolution of the collective impact alliance is based on a more disciplined results based approach to achieving transformations needed in the global and national agricultural systems. Such collaborative efforts represent a new way of doing business for all stakeholders with implications for governance, strategic planning, civil society involvement and evaluation. New methods are needed to facilitate and coordinate a wide spectrum of actors, work across public sector and private sector cultures, and create knowledge using digital advances. Continuous institutional adaptation and new forms of multi-sector, multi-agency platforms needed to achieve large scale change at the country level that will test country capacity. But precedent says it all possible and the new energy and optimism suggest sustained impact is possible.

⁴¹ The State of Food and Agriculture, 2102. Op cit. Page 37

⁴² Lowder and Carisma. Op cit. Page 30.

⁴³ How to Feed the World in 2050. FAO High-level Expert Forum. Rome. June 2009. Pages 16-17.

⁴⁴ Nineteen non-DAC donors report their aid to OECD-DAC (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic, Slovenia, Iceland, Israel, Liechtenstein, Turkey, Chinese Taipei, Thailand, Kuwait, Saudi Arabia, UAE). The BRICs (China, India, South Africa, Brazil and Russia) do not report their aid. (Piciotto: 2011)

Annex 2

Report of the Multi-Stakeholder Survey for the Evaluation of FAO's Role in Investment

FAO Office of Evaluation (OED)

Aude Carro – OED Consultant

November 2012

Contents

| | |
|---|-----------|
| Executive Summary | 16 |
| 1. Introduction | 17 |
| 2. Definition of the target population | 17 |
| 3. Methodology | 17 |
| 4. Survey invitation | 17 |
| 5. Sample and analysis | 18 |
| 6. Results..... | 19 |
| 6.1. Respondents' profile | 19 |
| 6.2. Importance, goals and alignment of FAO's support to investment in agriculture and rural development | 20 |
| 6.3. Efficiency of FAO in supporting investment in agriculture and rural development | 26 |
| 6.4. Impact of FAO's contribution to supporting investment in agriculture and rural development | 32 |
| 6.5. Improving FAO's support to investment in agricultural and rural development | 36 |

Executive Summary

This multi-stakeholder survey, carried out in 2012 as part of the Evaluation of FAO's Support to Investment, gathered the opinions of more than 250 professional staff from FAO and its partner IFIs on the organization's performance in supporting agricultural investment. Although not statistically significant for IFI staff, results highlight a certain skepticism from FAO non investment centre staff, and deliver some key messages summarized below.

The survey suggests that the relevance of FAO's work on investment support is not questioned. The majority of respondents agreed on that FAO's support to investment adds value in the context of the current international development architecture – in particular to its partner IFIs. They recognized to FAO a comparative advantage in that field, which mainly relies on its technical expertise. FAO's objectives were judged clear by a majority, although the survey highlighted a certain lack of clarity about the organization's goals regarding investment beyond TCI. Respondents estimated that FAO alignment with member countries, and responsiveness to its partners' needs were overall good.

Although most of FAO's work qualitative dimensions, in particular its technical quality, were well ranked, respondents' opinions of FAO's efficiency in supporting investment were less unanimously good. They estimated that FAO had sufficient human resources (at the exception of TCI) but insufficient financial resources to play a leading role in support to investment. All agreed on that technical division's knowledge and expertise was not optimally used to support investment, TCI and technical divisions being considered almost equally bad at taking their responsibilities in that field. The validity of the initial purpose of the cooperative agreements was reaffirmed by IFI staff. The majority of them, along with TCI, pledged for maintaining the current cost-sharing agreement and getting more financing from FAO Regular Programme, while non TCI FAO staff called for an increased financing from IFIs.

As for efficiency, respondents showed quite critic regarding the effectiveness of FAO's support to investment. The impact of FAO's support to global investment in agriculture was estimated to be moderate and the result of its capacity development activities only partly satisfactorily. Its work in forming partnerships was also estimated partly effective, and its contribution to greater gender equality in its partners' investment plans moderate. No trend could be observed in respondents answers to how clear and measurable FAO's investment support outcomes were.

Regarding possible improvements, the survey suggests that FAO should expand its offer of investment related services in the future, in particular capacity development, to be able to meet a growing demand. Increasing the use of FAO's Technical Divisions expertise for support to investment was judged the most promising proposal by all stakeholder categories to improve the organization's capacity to support investment, while further decentralizing its investment support service to the field was estimated to be the least valuable option.

1. Introduction

The purpose of the “*Evaluation of FAO’s Role in Support to Investment in Food Security, Agriculture and Rural Development*” is to assess FAO’s work in providing investment support to member countries and to lending agencies (IFIs). It is a ‘formative evaluation,’ drawing on experience in FAO and elsewhere to help lay out a future vision for FAO’s role in investment, and the place of investment support in FAO’s work. The larger strategic evaluation also includes a specific evaluation of the FAO Investment Centre (TCI).

The survey carried out from the 21st of August to the 23rd of September 2012 aimed to collect the opinions of FAO staff, partner IFI staff and member country counterparts on FAO’s performance in supporting agricultural investment.

2. Definition of the target population

The target population was constituted of four categories of stakeholders involved in FAO’s investment support activities: a) Member Country Institutions’ staff collaborating with FAO on investment-related activities; b) partner International Financial Institutions’ staff collaborating with TCI; c) FAO Investment Centre staff; and d) FAO non TCI staff in headquarters and decentralized offices. IFI stakeholders were targeted using the same list of professionals TCI used in its 2010 Partner survey. Member country respondents’ identification was delegated to country representatives. FAO headquarters non-TCI staff members were selected based on their work on investment-related activities, whether it was in collaboration with TCI or not. For this purpose we used a list of TCI secondments, enriched with names collected along the meetings the evaluation team previously attended in Rome. No selection criteria were applied for TCI and FAO decentralized office staff: all regional, sub-regional and country representatives, as well as managers and professional staff were included in the sample.

3. Methodology

One questionnaire was developed for each stakeholder category. Each contained between seventeen and nineteen questions – most of which were identical across the four categories of respondents – completed with one to six questions aimed to provide information on respondents’ profile. Questions were articulated around four fields that the evaluation team was eager to investigate: (i) the importance, goals and alignment of FAO’s support to investment; (ii) its efficiency; (iii) its effectiveness; and (iv) its potential margin for improvement. Questionnaires were developed and reviewed within the evaluation team before being put online using the tool SurveyMonkey.com. Each survey was available in English, French, Russian and Spanish.

4. Survey invitation

The four categories of stakeholders were contacted by an email from the evaluation manager between the 21st and the 27th of August. In addition to the survey link, member country and FAO decentralized office stakeholders were offered to be sent a word version of the survey as an alternative to the online interface. Two to three reminders were sent one week to three days before the deadline, which was extended of

about two weeks due to the low participation of IFI and member country stakeholders. In total, more than 780 stakeholders were contacted⁴⁵.

5. Sample and analysis

The methodology employed to reach Member Country stakeholders revealed inappropriate and resulted in a particularly low participation (18 respondents), as well as incertitude regarding the target population size. Thus, it was decided not to take this category into account in the analysis of the survey results. As shown in Table 1 below, the response rate, around 33%, was relatively high for this type of online survey. However, it was unequal amongst the three remaining stakeholder categories: Investment Centre staff response rate was twice as much as non TCI FAO staff, and about four times the one of IFI staff. This asymmetry of response is not surprising. First, the Investment Centre staff involvement in the evaluation process during the three months preceding the survey had resulted in a greater awareness. Second, since this division was more likely to be impacted by the evaluation recommendations than any other, its staff had a stronger incentive to participate.

Table 1. Sample and response rate for each stakeholder category.

| | International Financial Institutions | FAO Investment Centre | FAO (non Investment Centre) | Total |
|-------------------------------------|---|--------------------------|-----------------------------------|-------|
| Target population size | 253 | 89 | 422 | 764 |
| Number of respondents ⁴⁶ | 42 | 60 | 149 | 251 |
| Response rate | 16.6% | 67.4% | 35.3% | 32.9% |

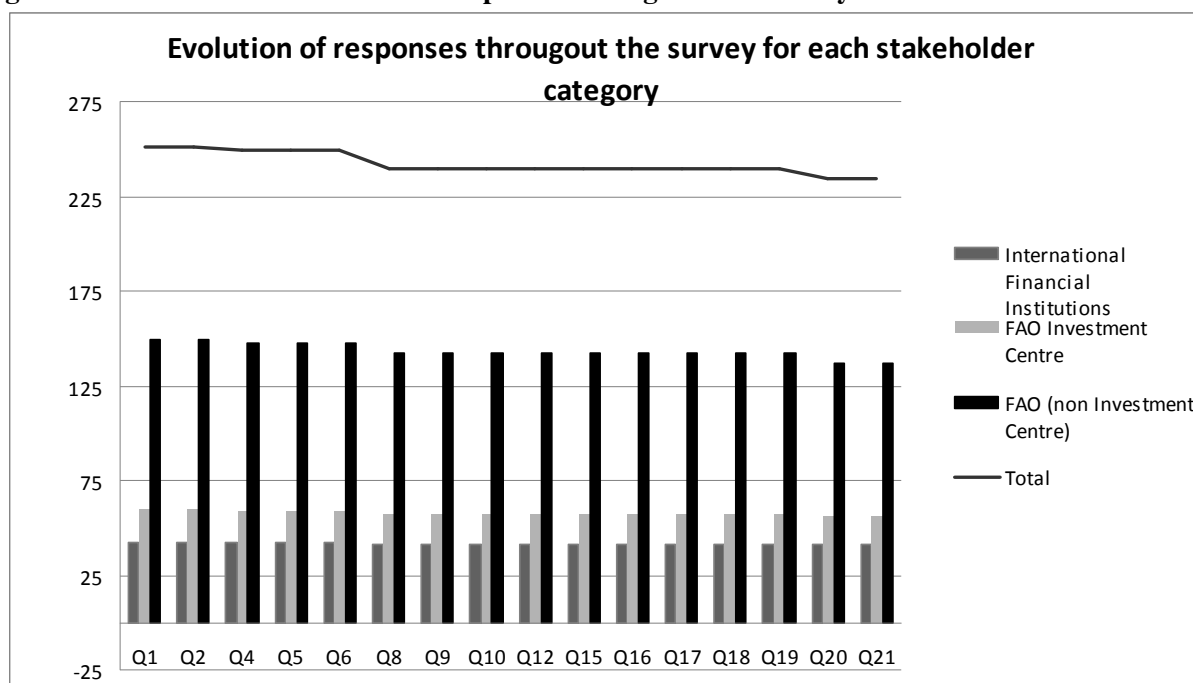
Because of the small size of the International Financial Institution sample – below 50 that is usually considered a minimum size to have some significance in the findings using non-parametric statistical tests – results for this category should be interpreted with caution since they are not statistically significant. For the same reason the analysis of results by agency within this category was judged not statistically robust enough to be presented here.

As shown in Figure 1 below, the sample stayed stable throughout the survey: 93% of respondents who completed it with little differences across respondent categories.

⁴⁵ For reasons explained in section 5, the exact number of Member Country stakeholders contacted remains unknown.

⁴⁶ We considered as respondent anyone who answered at least the first question of the survey.

Figure 1. Evolution of the number of responses throughout the survey



6. Results

6.1. Respondents' profile

FAO non-TCI staff largely dominated the survey sample with 59% of the responses (figure 2). Amongst them 22% were in headquarter and 78% in decentralized offices.

Figure 2. Share of each respondent category in the survey sample

TCI services were overall equally represented in the sample with 32% for TCIN and TCIA, 20% for TCIO and 17% for TCID (management).

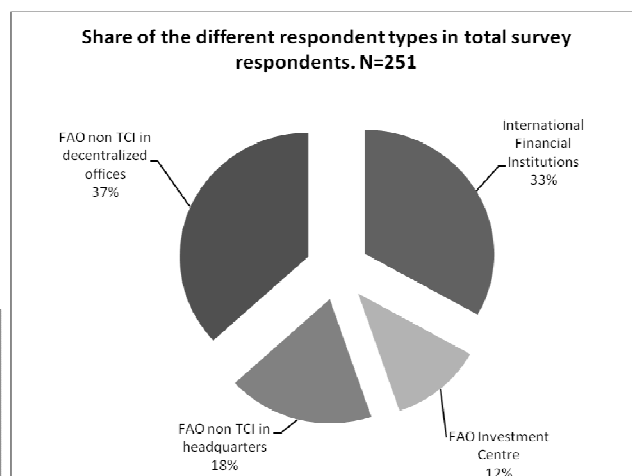
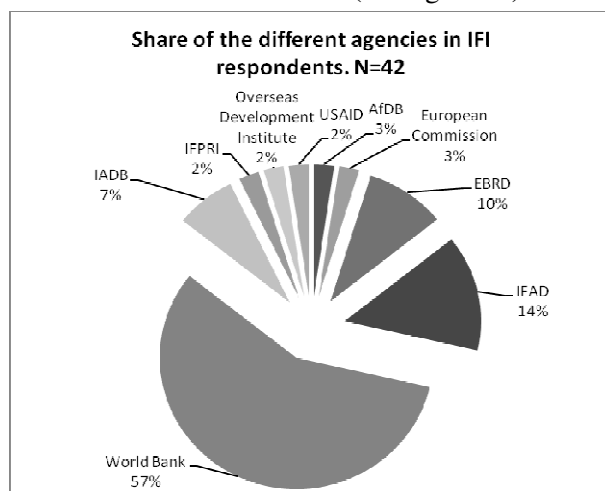
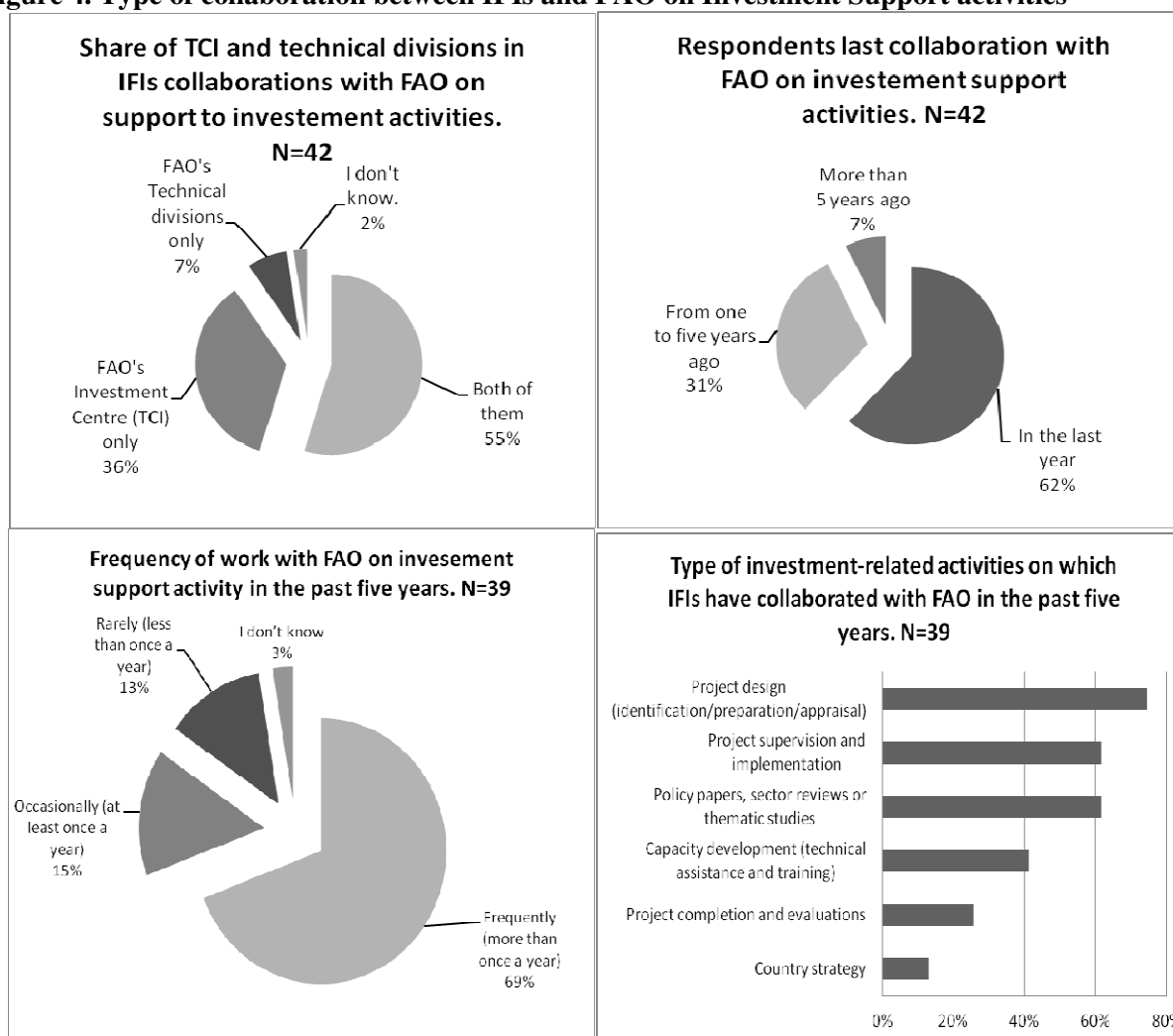


Figure 3. Share of the different agencies in IFI respondents and of TCI

FAO three main IFI partners were well represented in the sample (figure 3): the World Bank staff represented 57% of IFI respondents, followed by IFAD (14%) and EBRD (10%).

As shown in figure 4, the majority of IFI respondents declared that they had either collaborated with both TCI and technical divisions (55%) or only with TCI (36%). The majority (91%) of respondents' last collaboration with FAO was in the past five years and amongst them, about two third (69%) declared collaborating with FAO frequently (more than once a year). The type of activities most often involved in these collaborations were project design (74%), project supervision and implementation (62%), policy papers, sector review or thematic studies (62%) and capacity development (41%).

Figure 4. Type of collaboration between IFIs and FAO on Investment Support activities



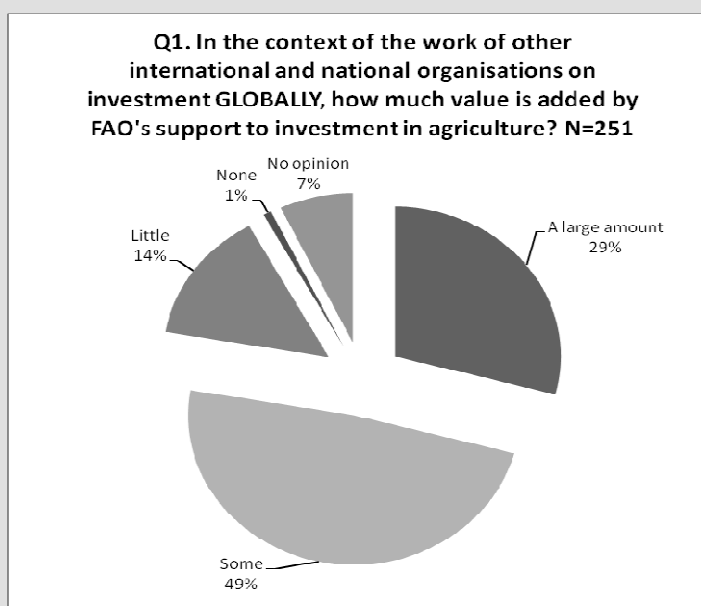
6.2. Importance, goals and alignment of FAO's support to investment in agriculture and rural development

The majority of respondents across all categories agreed on that FAO's support to investment adds some (49%) to a large amount (29%) of value in the context of the current international development architecture, the most skeptical being found amongst FAO non-TCI staff (Question 1).

Question 1. In the context of the work of other international and national organizations on investment GLOBALLY, how much value is added by FAO's support to investment in agriculture?

| | International | FAO | FAO (non | Total |
|--|---------------|-----|----------|-------|
|--|---------------|-----|----------|-------|

| | Financial Institutions | Investment Centre | Investment Centre) | |
|----------------|------------------------|-------------------|--------------------|------|
| A large amount | 43% | 37% | 22% | 29% |
| Some | 48% | 53% | 47% | 49% |
| Little | 7% | 5% | 20% | 14% |
| None | 0% | 0% | 1% | 1% |
| No opinion | 2% | 5% | 9% | 7% |
| Total | 100% | 100% | 100% | 100% |



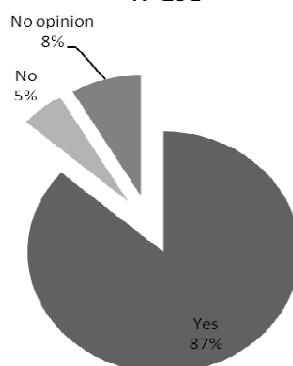
A large majority (86%) of respondents estimated that FAO had a comparative advantage in supporting investment in agriculture (Question 2). The five most popular proposals selected to explain this comparative advantage were (Question 3): (i) FAO's technical expertise in relevant areas of its mandate (94%); (ii) FAO's expertise in the formulation and implementation of ARD, forestry, fisheries etc investment projects (74%); (iii) the trust of member country (63%); (iv) FAO's global mandate (63%) and; (v) FAO's expertise in policy work (58%). Last on the list, FAO's decentralized structure was recognized as a comparative advantage by less than a third of respondents (27%), with significant difference between TCI (7%) and non TCI FAO staff (40%). Other arguments included the trust by IFIs, FAO's capacity to mobilize a broad range of knowledge and skills from global to local level and FAO's presence on the field.

Question 2. Does FAO have comparative advantage in supporting investment in agriculture?

| | International Financial Institutions | FAO Investment Centre | FAO (non Investment Centre) | Total |
|------------|--------------------------------------|-----------------------|-----------------------------|-------|
| Yes | 90% | 93% | 83% | 86% |
| No | 7% | 3% | 5% | 5% |
| No opinion | 2% | 3% | 12% | 8% |
| Total | 100% | 100% | 100% | 100% |

Q2. Does FAO have comparative advantage in supporting investment in agriculture?

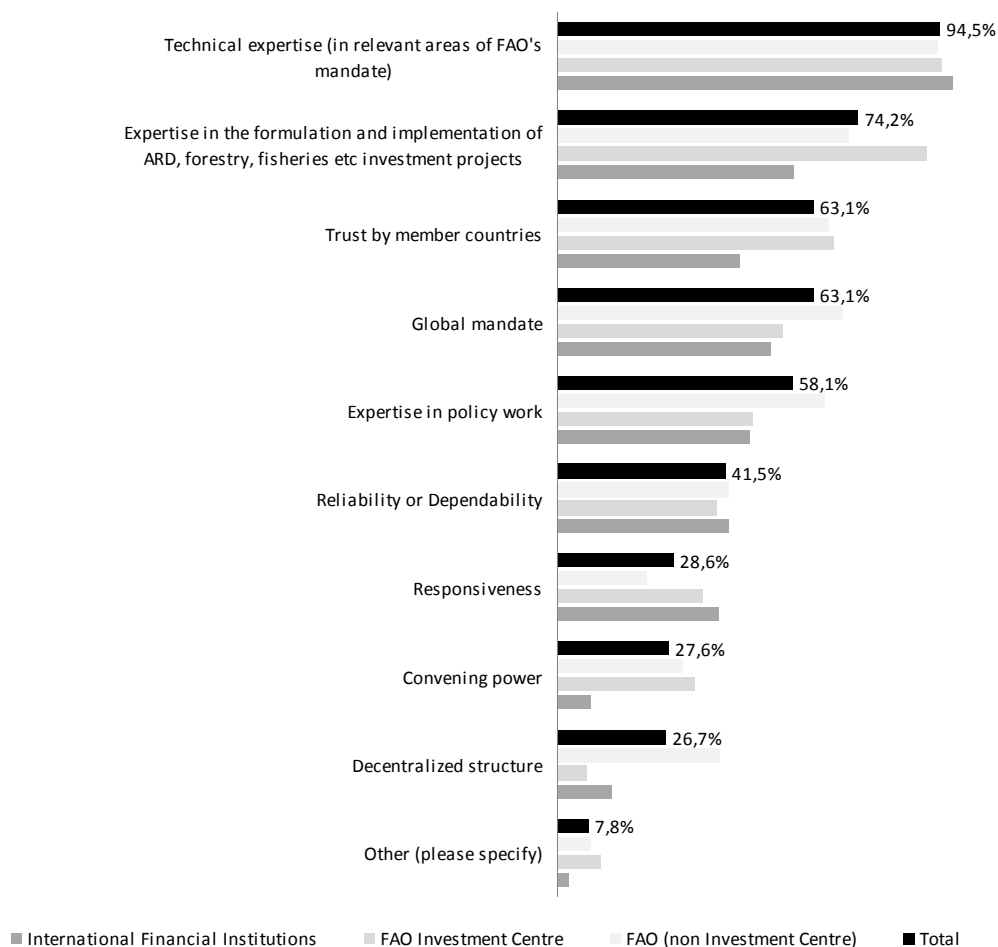
N=251



Question 3. What is the basis of FAO's comparative advantage? (Select all that apply)

| | International Financial Institutions | FAO Investment Centre | FAO (non Investment Centre) | Total |
|---|--------------------------------------|-----------------------|-----------------------------|-------|
| Decentralized structure | 13% | 7% | 40% | 27% |
| Convening power | 8% | 34% | 31% | 28% |
| Responsiveness | 39% | 36% | 22% | 29% |
| Reliability or Dependability | 42% | 39% | 42% | 41% |
| Expertise in policy work | 47% | 48% | 66% | 58% |
| Global mandate | 53% | 55% | 70% | 63% |
| Trust by member countries | 45% | 68% | 67% | 63% |
| Expertise in the formulation and implementation of ARD, forestry, fisheries etc investment projects | 58% | 91% | 72% | 74% |
| Technical expertise (in relevant areas of FAO's mandate) | 97% | 95% | 93% | 94% |
| Other (please specify) | 3% | 11% | 8% | 8% |

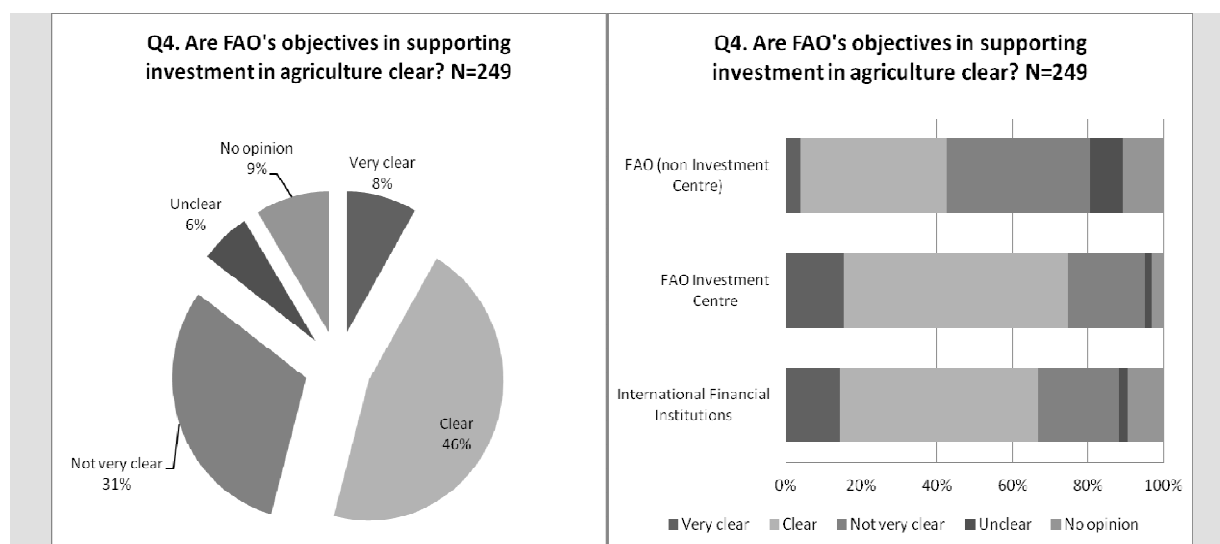
Q3. If you answered yes to Q2, what is the basis of FAO's comparative advantage? (Select all proposals that apply) N=217



FAO's objective in supporting investment (question 4) were judged clear or very clear by just over half of respondents (54%) while a third declared that it was not very clear (31%). The fact that about half of FAO non TCI staff declared that it was either not very clear (38%) or unclear (9%) seems to indicate a lack of clarity of the organization's goals in term of support to investment out of TCI.

Question 4. Are FAO's objectives in supporting investment in agriculture clear?

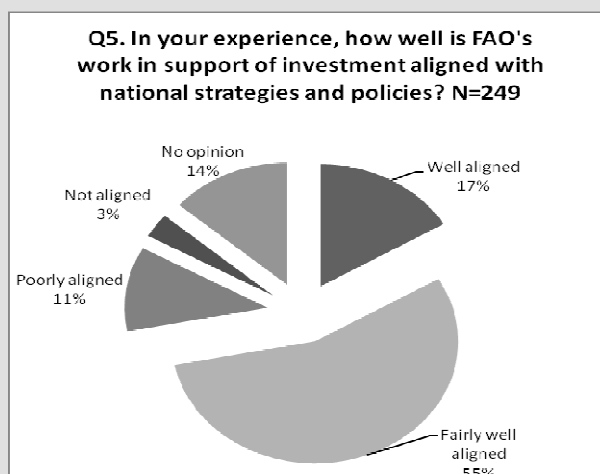
| | International Financial Institutions | FAO Investment Centre | FAO (non Investment Centre) | Total |
|----------------|--------------------------------------|-----------------------|-----------------------------|-------|
| Very clear | 14% | 15% | 4% | 8% |
| Clear | 52% | 59% | 39% | 46% |
| Not very clear | 21% | 20% | 38% | 31% |
| Unclear | 2% | 2% | 9% | 6% |
| No opinion | 10% | 3% | 11% | 9% |
| Total | 100% | 100% | 100% | 100% |



About two third of respondents estimated that FAO's work in support to investment was well (16%) to fairly well aligned (55%) with national strategies and policies (question 5). FAO non TCI staff showed more sceptical than other categories with about a fifth responding that FAO's alignment was poor (14%) or inexistant (5%).

Question 5. In your experience how well is FAO's work in support of investment aligned with national strategies and policies?

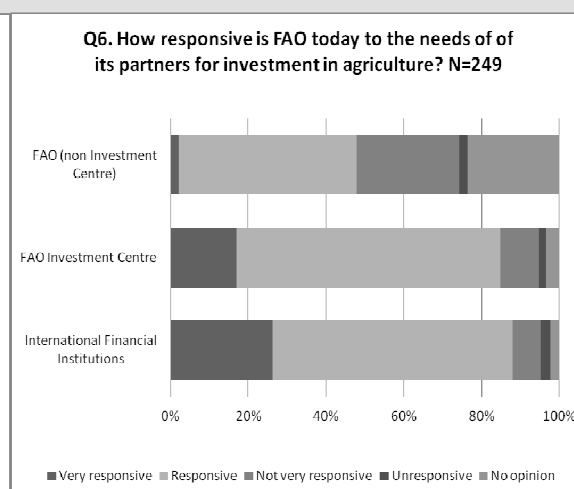
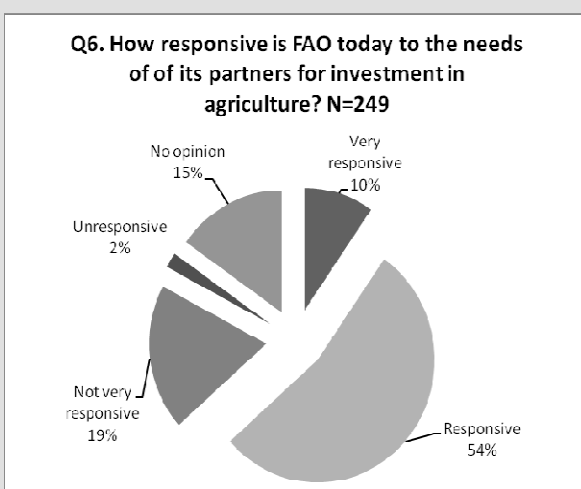
| | International Financial Institutions | FAO Investment Centre | FAO (non Investment Centre) | Total |
|---------------------|--------------------------------------|-----------------------|-----------------------------|-------|
| Well aligned | 21% | 25% | 11% | 16% |
| Fairly well aligned | 67% | 56% | 52% | 55% |
| Poorly aligned | 5% | 8% | 14% | 11% |
| Not aligned | 2% | 0% | 5% | 3% |
| No opinion | 5% | 10% | 18% | 14% |
| Total | 100% | 100% | 100% | 100% |



The majority of respondents judged that FAO was responsive (10%) to very responsive (54%) to the needs of its partners for investment (question 6), with again more reserves on the side of FAO non TCI staff - more than a fifth of them (26%) estimating that FAO was not very responsive.

Question 6. How responsive is FAO today to the needs of its partners for investment in agriculture?

| | International Financial Institutions | FAO Investment Centre | FAO (non Investment Centre) | Total |
|---------------------|--------------------------------------|-----------------------|-----------------------------|-------|
| Very responsive | 26% | 17% | 2% | 10% |
| Responsive | 62% | 68% | 46% | 54% |
| Not very responsive | 7% | 10% | 26% | 19% |
| Unresponsive | 2% | 2% | 2% | 2% |
| No opinion | 2% | 3% | 24% | 15% |
| Total | 100% | 100% | 100% | 100% |

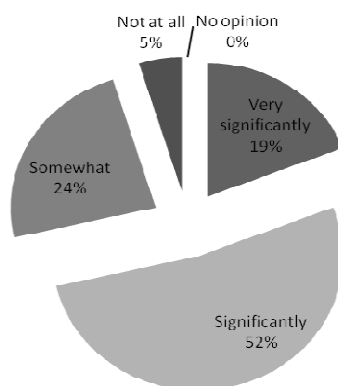


More than two third of IFI respondents estimated that FAO adds a significant (52%) to very significant (19%) value to the work of their agency (question 7). Although this result cannot be considered as necessarily representative of the entire institutions, it indicates that some groups of professionals, mostly in the World Bank, EBRD and IFAD, value FAO as a partner for investment.

Question 7. To what extent does FAO add value to the work your agency?

| | International Financial Institutions |
|--------------------|--------------------------------------|
| Very significantly | 19% |
| Significantly | 52% |
| Somewhat | 24% |
| Not at all | 5% |
| No opinion | 0% |
| Total | 100% |

Q7. To what extent does FAO add value to the work of your institution? N=42



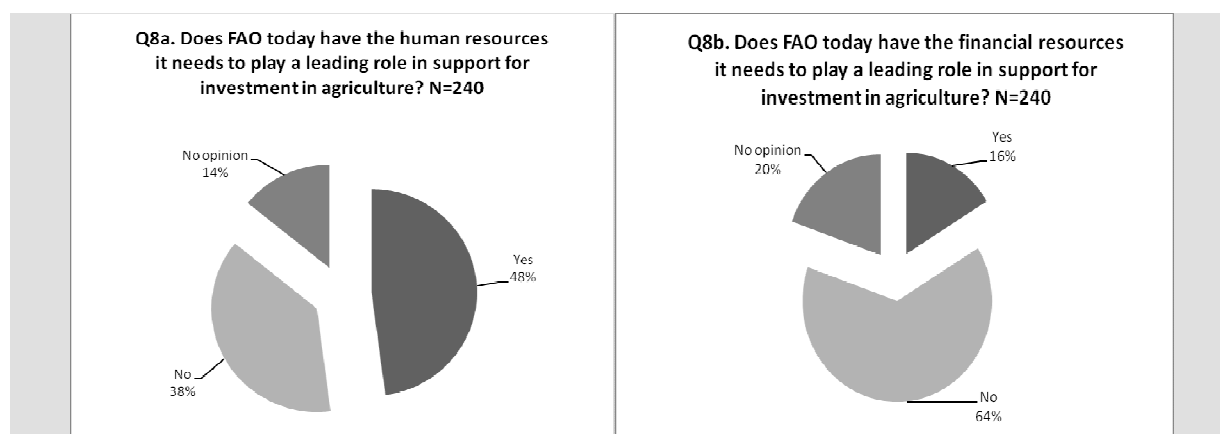
6.3. Efficiency of FAO in supporting investment in agriculture and rural development

Overall, about half of respondents (48%) judged that FAO had the human resources it needs to play a leading role in support for investment in agriculture (question 8). However, the majority of TCI staff considered that it was not the case (65%). This should be interpreted with cautious, bearing in mind that TCI is currently understaffed and that this result could reflect a conjectural situation rather than a structural under-estimation of needs by other stakeholder categories.

Most respondents agreed on that FAO lacked the financial resources to play a leading role in that field (64%), with little variations across categories.

Question 8. Does FAO today have the human and financial resources it needs to play a leading role in support for investment in agriculture?

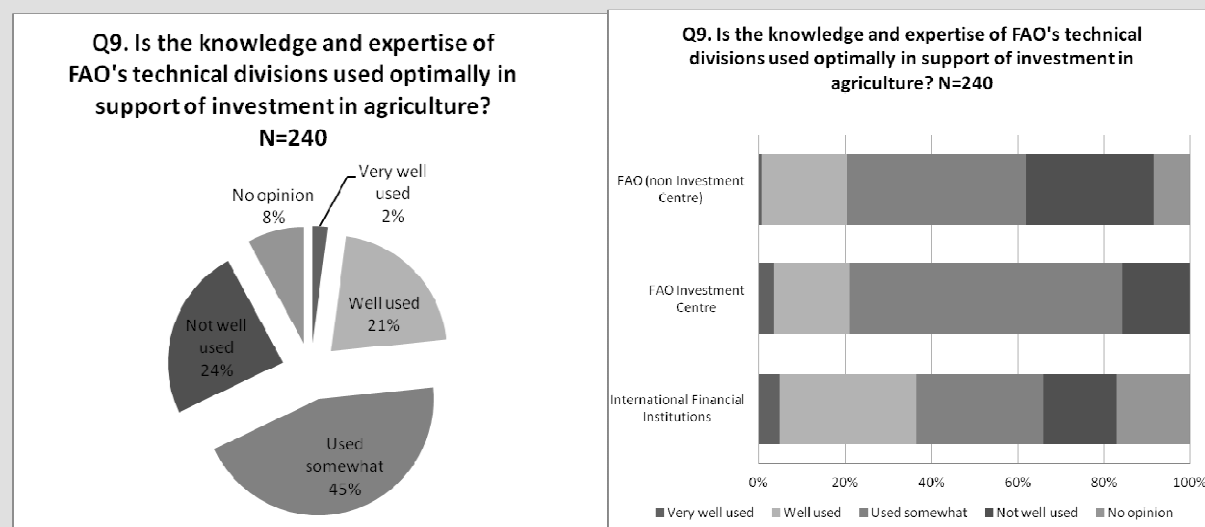
| | International Financial Institutions | FAO Investment Centre | FAO (non Investment Centre) | Total |
|----------------------------|--------------------------------------|-----------------------|-----------------------------|-------|
| <i>Human Resources</i> | | | | |
| Yes | 63% | 25% | 53% | 48% |
| No | 15% | 65% | 34% | 38% |
| No opinion | 22% | 11% | 13% | 14% |
| Total | 100% | 100% | 100% | 100% |
| <i>Financial Resources</i> | | | | |
| Yes | 22% | 19% | 13% | 16% |
| No | 46% | 68% | 68% | 64% |
| No opinion | 32% | 12% | 19% | 20% |
| Total | 100% | 100% | 100% | 100% |



Only about a fifth of respondents estimated that FAO was using well (21%) or very well (2%) its technical divisions' knowledge and expertise (question 9) - IFI respondents, with 37%, were the most indulgent. Both TCI and non TCI staff seem to agree on that technical division's knowledge and expertise is not optimally used to support investment, although non TCI staff are more severe than the former with about a third (30%) estimating that it is not well used.

Question 9. Is the knowledge and expertise of FAO's technical divisions used optimally in support of investment in agriculture?

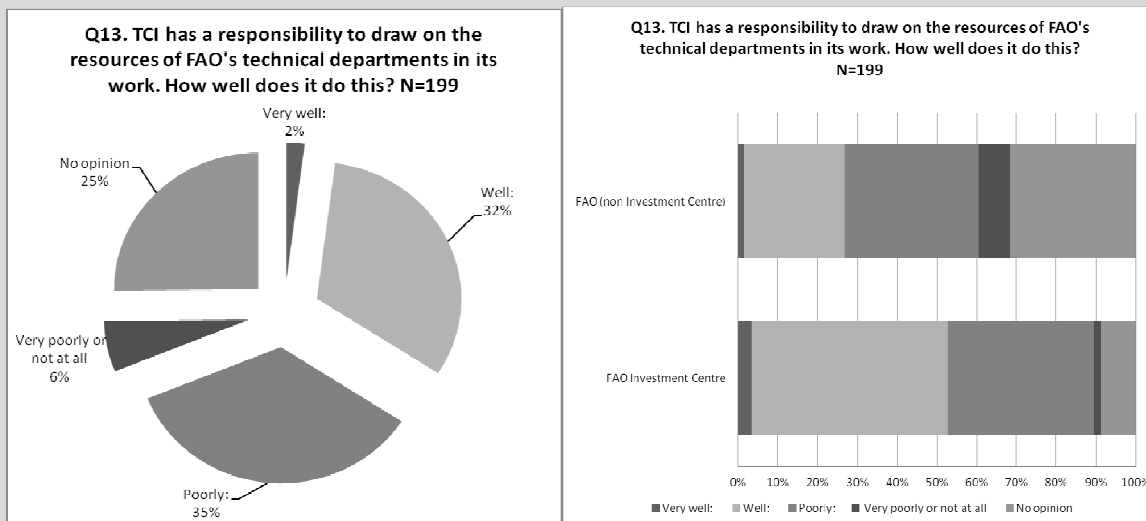
| | International Financial Institutions | FAO Investment Centre | FAO (non Investment Centre) | Total |
|----------------|--------------------------------------|-----------------------|-----------------------------|-------|
| Very well used | 5% | 4% | 1% | 2% |
| Well used | 32% | 18% | 20% | 21% |
| Used somewhat | 29% | 63% | 42% | 45% |
| Not well used | 17% | 16% | 30% | 24% |
| No opinion | 17% | 0% | 8% | 8% |
| Total | 100% | 100% | 100% | 100% |



Question 13. TCI has a responsibility to draw on the resources of FAO's technical departments in its

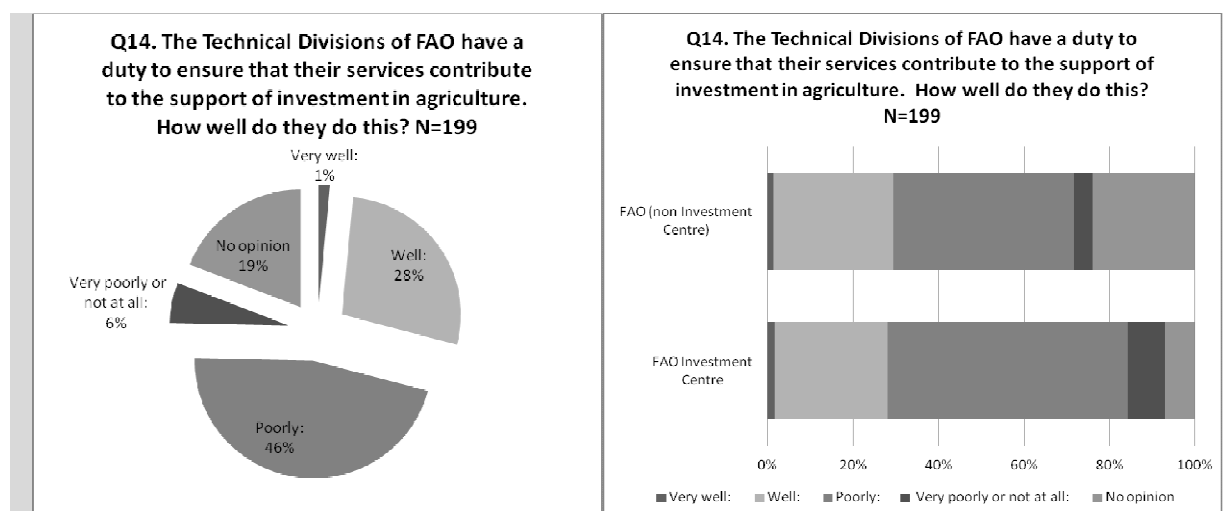
work. How well does it do this?

| | FAO Investment Centre | FAO (non Investment Centre) | Total |
|----------------------------|-----------------------|-----------------------------|-------|
| Very well: | 4% | 1% | 2% |
| Well: | 49% | 25% | 32% |
| Poorly: | 37% | 34% | 35% |
| Very poorly or not at all: | 2% | 8% | 6% |
| No opinion | 9% | 32% | 25% |
| Total | 100% | 100% | 100% |



Question 14. The Technical Divisions of FAO have a duty to ensure that their services contribute to the support of investment in agriculture. How well do they do this?

| | FAO Investment Centre | FAO (non Investment Centre) | Total |
|----------------------------|-----------------------|-----------------------------|-------|
| Very well: | 2% | 1% | 2% |
| Well: | 26% | 28% | 28% |
| Poorly: | 56% | 42% | 46% |
| Very poorly or not at all: | 9% | 4% | 6% |
| No opinion | 7% | 24% | 19% |
| Total | 100% | 100% | 100% |



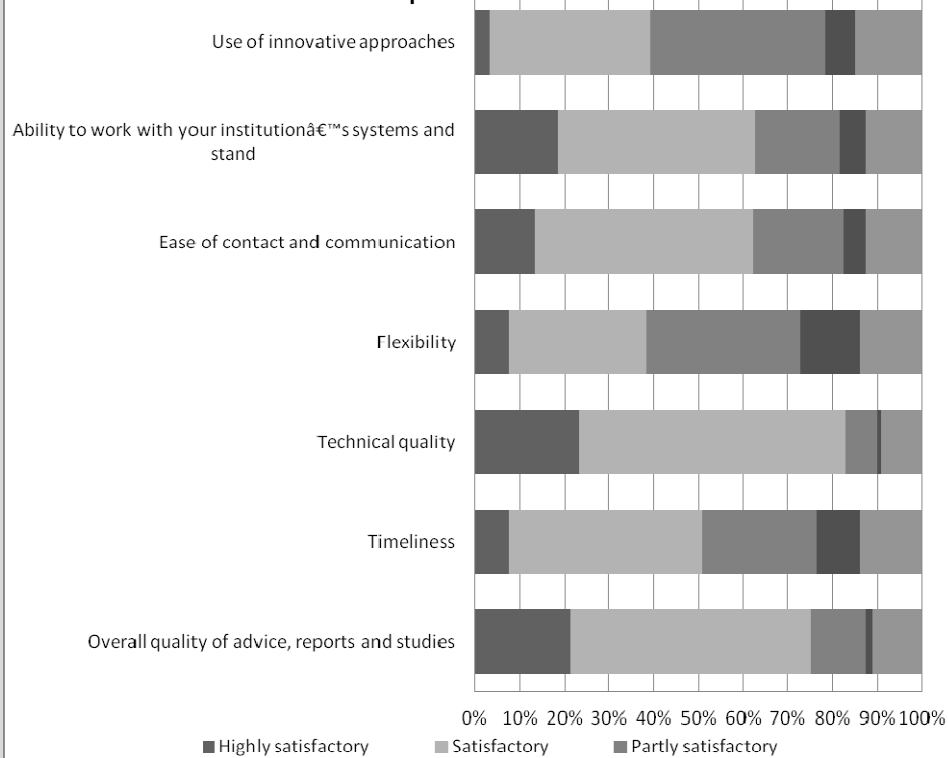
Overall, neither TCI nor technical divisions were considered doing well in taking their respective responsibilities to mobilize FAO's technical divisions' resources (question 13 and 14). More than a third of non TCI FAO staff estimated that both TCI and technical divisions were poorly, very poorly or not all taking their responsibilities. TCI staff tended to better rate their own efforts than the ones of technical divisions: 53% declared that TCI was doing well or very well in taking its responsibilities – twice as much as non TCI staff.

Most of the FAO's support to investment dimensions that respondents were asked to rate were estimated to be satisfactory or very satisfactory by at least half of them (question 10). Technical quality was ranked the highest, with 83% of respondents judging that it was satisfactory or very satisfactory, which is coherent with the findings of question 3 that good technical quality is the most widely recognized basis for FAO's comparative advantage. The least well ranked dimensions were the use of innovative approach and flexibility. Across categories patterns of response appeared to be somewhat similar, although non TCI FAO staff were a lot more severe than TCI and IFI staff.

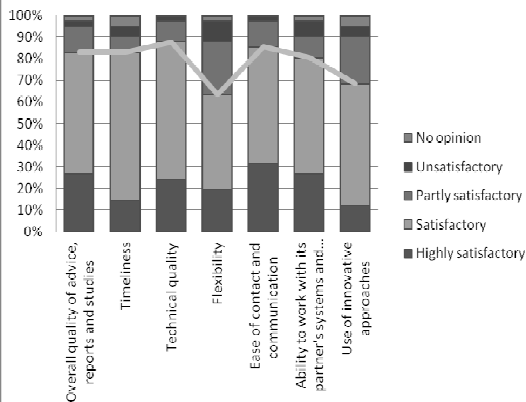
Question 10. Please rate the following dimensions of FAO's support to investment in agriculture compared to alternative sources of expertise.

| | Highly satisfactory | Satisfactory | Partly satisfactory | Unsatisfactory | No opinion |
|---|---------------------|--------------|---------------------|----------------|------------|
| Overall quality of advice, reports and studies | 21% | 54% | 13% | 1% | 11% |
| Timeliness | 8% | 43% | 25% | 10% | 14% |
| Technical quality | 23% | 60% | 7% | 1% | 9% |
| Flexibility | 8% | 31% | 35% | 13% | 14% |
| Ease of contact and communication | 13% | 49% | 20% | 5% | 13% |
| Ability to work with your institution's systems and standards | 19% | 44% | 19% | 6% | 13% |
| Use of innovative approaches | 3% | 36% | 39% | 7% | 15% |

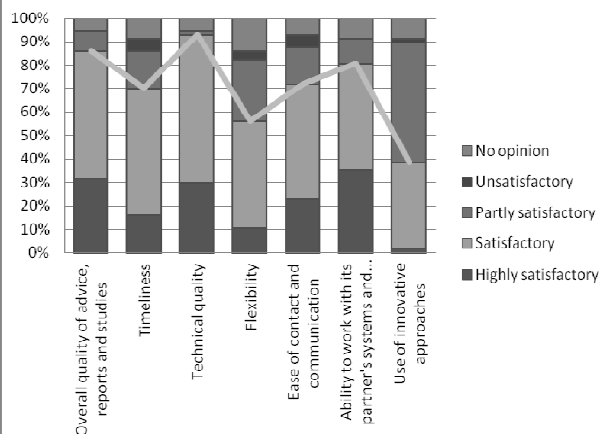
Q10. Please rate the following dimensions of FAO's support to investment in agriculture compared to alternative sources of expertise. N=240

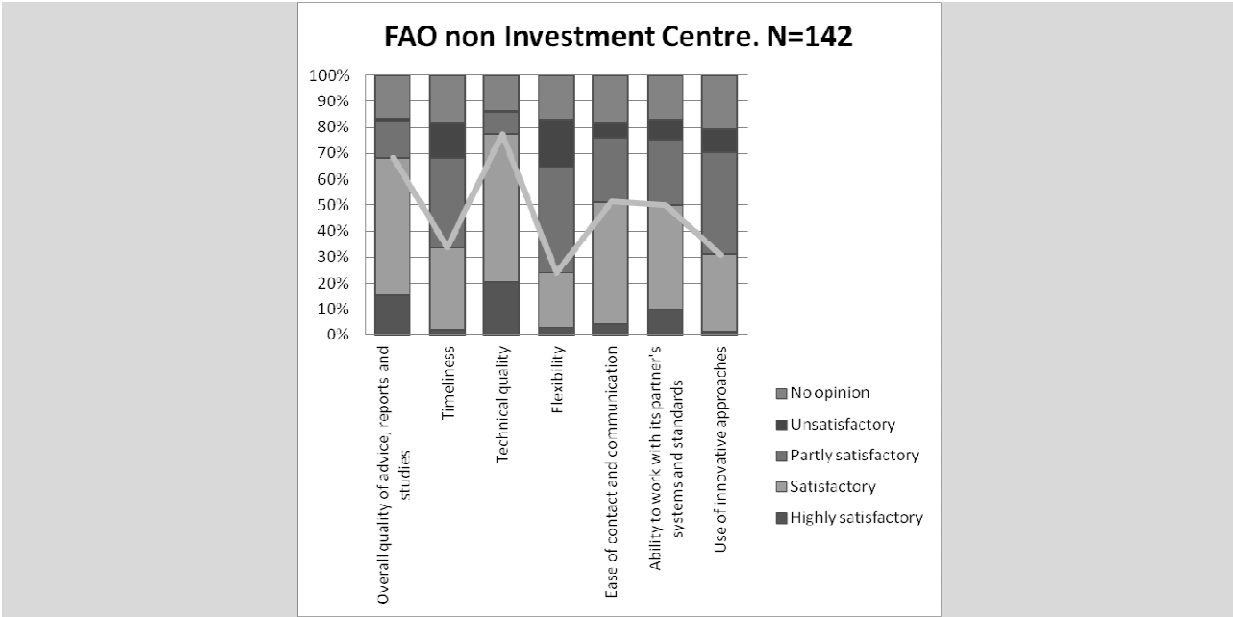


International Financial Institutions. N=41



FAO Investment Centre. N=57

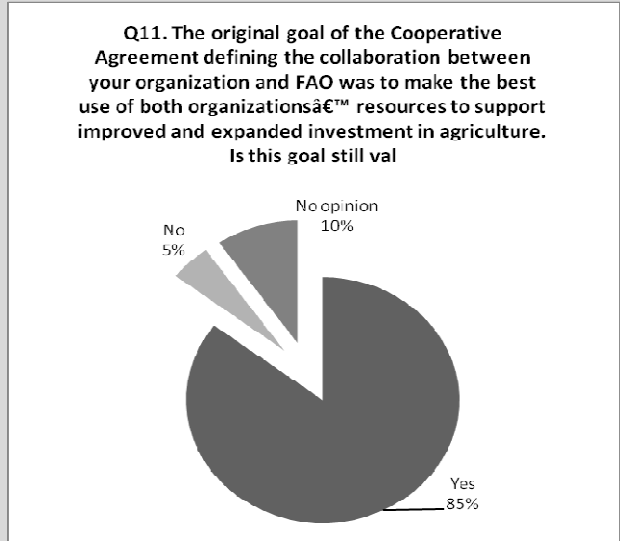




A large majority of IFI staff agreed on that the initial goal of the Cooperative Agreements defining their collaboration with FAO - to make the best use of both organizations' resources to support improved and expanded investment in agriculture – was still valid.

Question 11. The original goal of the Cooperative Agreement defining the collaboration between your organization and FAO was to make the best use of both organizations' resources to support improved and and expanded investment in agriculture. Is this goal still valid?

| | International Financial Institutions |
|------------|--------------------------------------|
| Yes | 85% |
| No | 5% |
| No opinion | 10% |
| Total | 100% |

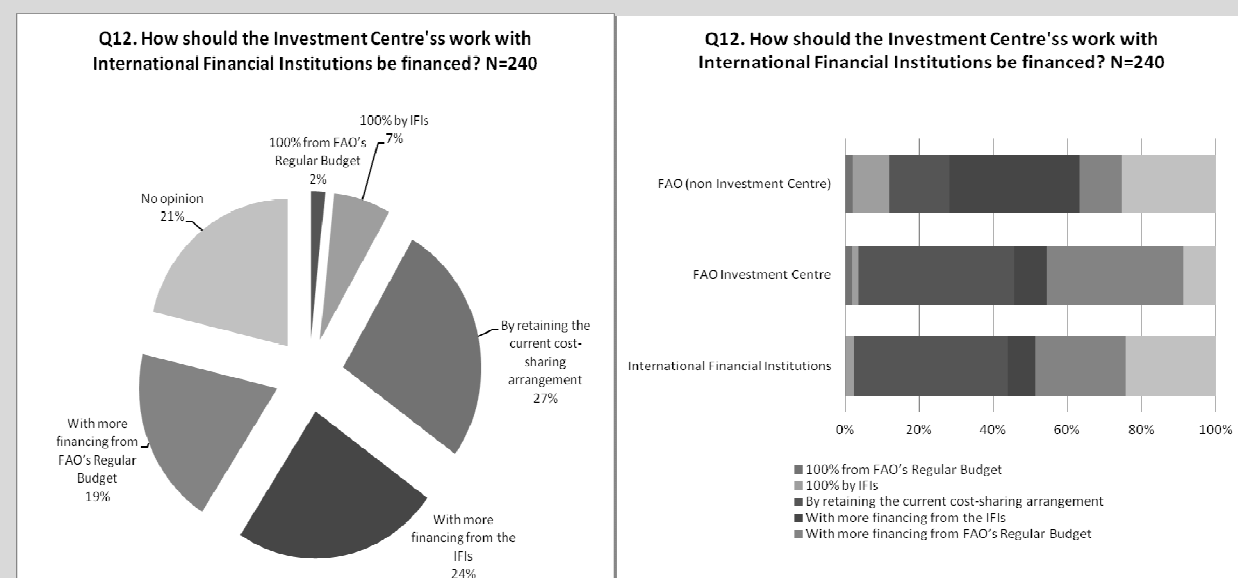


Respondents' opinions were highly divided on the question of how should the Investment Centre's work with International Financial Institutions be financed (question 12), resulting in no clearly observable

trend. TCI and IFI staff agreed on the fact that retaining the current cost-sharing agreement and getting more financing from FAO Regular Programme were the two most desirable options, while a third of non TCI FAO staff pledged for an increased financing effort from IFIs. The relatively high rate of respondents with no opinion on that question (21%) shows that it was perhaps too difficult or delicate to answer for most staff.

Question 12. How should the Investment Centre's work with International Financial Institutions (IFIs) be financed?

| | International Financial Institutions | FAO Investment Centre | FAO (non Investment Centre) | Total |
|---|--------------------------------------|-----------------------|-----------------------------|-------|
| 100% from FAO's Regular Budget | 0% | 2% | 2% | 2% |
| 100% by IFIs | 2% | 2% | 10% | 7% |
| By retaining the current cost-sharing arrangement | 41% | 42% | 16% | 27% |
| With more financing from the IFIs | 7% | 9% | 35% | 24% |
| With more financing from FAO's Regular Budget | 24% | 37% | 11% | 20% |
| No opinion | 24% | 9% | 25% | 21% |
| Total | 100% | 100% | 100% | 100% |



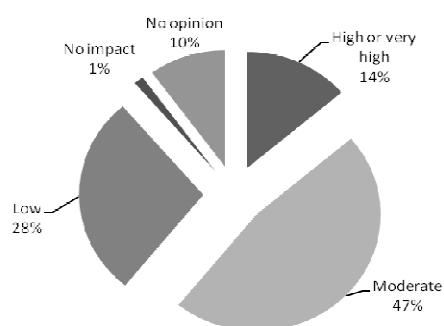
6.4. Impact of FAO's contribution to supporting investment in agriculture and rural development

The majority of respondents (47%) judged that the impact of FAO's support to global investment in agriculture was moderate (question 15). Across categories we observed a gradient between non TCI staff, who valued the least FAO's impact, and IFIs staff – about a third of them considering FAO's impact as high or very high.

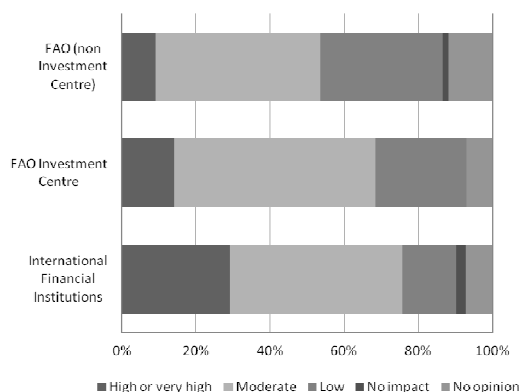
Question 15. How do you rate the impact of FAO's support to global investment in agriculture?

| | International Financial Institutions | FAO Investment Centre | FAO (non Investment Centre) | Total |
|-------------------|--------------------------------------|-----------------------|-----------------------------|-------|
| High or very high | 29% | 14% | 9% | 14% |
| Moderate | 46% | 54% | 44% | 47% |
| Low | 15% | 25% | 33% | 28% |
| No impact | 2% | 0% | 1% | 1% |
| No opinion | 7% | 7% | 12% | 10% |
| Total | 100% | 100% | 100% | 100% |

Q15. How do you rate the impact of FAO's support to global investment in agriculture?
N=240



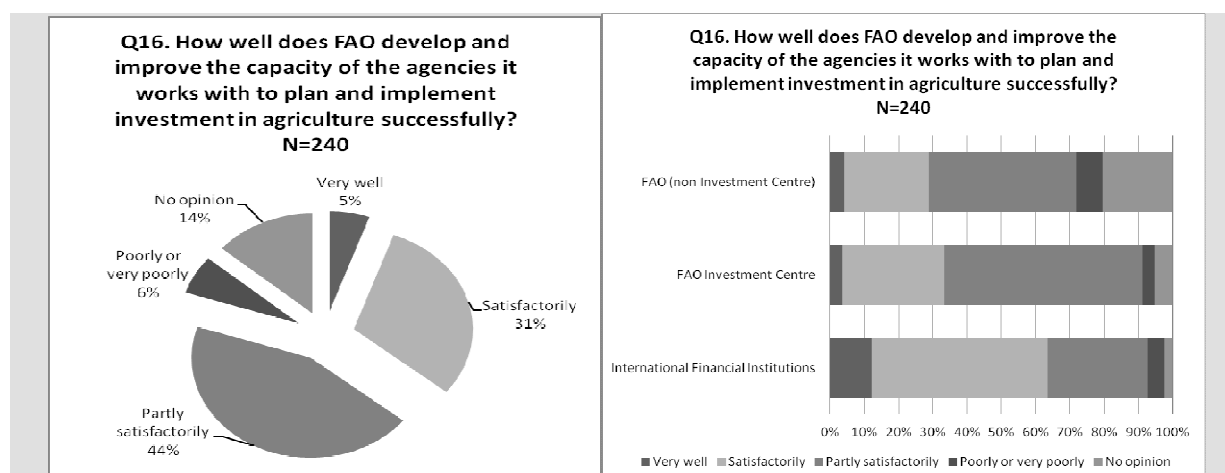
Q15. How do you rate the impact of FAO's support to global investment in agriculture?
N=240



The majority (44%) of respondents estimated that FAO's work to develop and improve the capacity its partner agencies to plan and implement investment in agriculture successfully was only partly satisfactory (question 16), while a little more than a third (35%) declared it was very satisfactory or satisfactory. Across respondent categories we observed a contrast between FAO staff and IFIs, the latter being far more positive than the former.

Question 16. How well does FAO develop and improve the capacity of the agencies it works with to plan and implement investment in agriculture successfully?

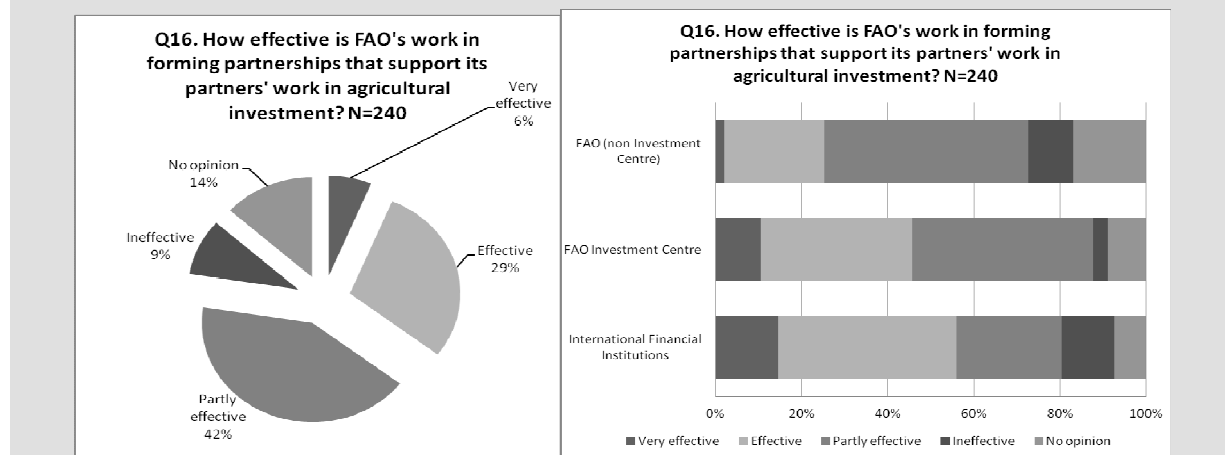
| | International Financial Institutions | FAO Investment Centre | FAO (non Investment Centre) | Total |
|-----------------------|--------------------------------------|-----------------------|-----------------------------|-------|
| Very well | 12% | 4% | 4% | 5% |
| Satisfactorily | 51% | 30% | 25% | 30% |
| Partly satisfactorily | 29% | 58% | 43% | 44% |
| Poorly or very poorly | 5% | 4% | 8% | 6% |
| No opinion | 2% | 5% | 20% | 14% |
| Total | 100% | 100% | 100% | 100% |



The majority (42%) of respondents judged that FAO's work in forming partnerships that support its partners' work in agricultural investment was only partly effective (question 17), while more than a third estimated it was either very effective (6%) or effective (29%). Once again FAO non TCI staff was the most skeptical, and IFI staff the most positive across respondent categories.

Question 17. How effective is FAO's work in forming partnerships that support its partners' work in agricultural investment?

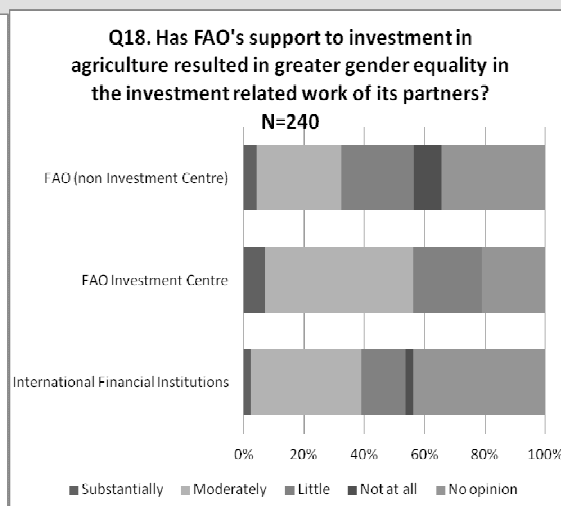
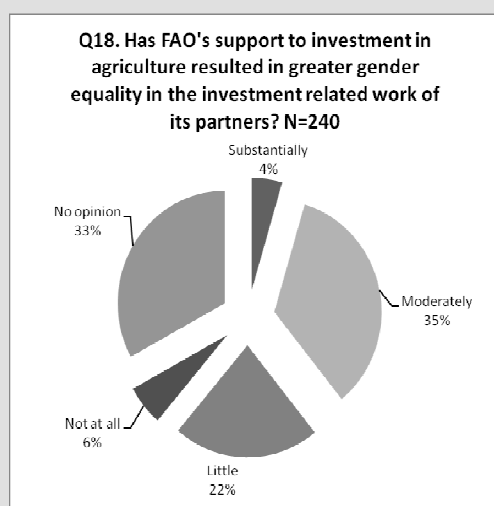
| | International Financial Institutions | FAO Investment Centre | FAO (non Investment Centre) | Total |
|------------------|--------------------------------------|-----------------------|-----------------------------|-------|
| Very effective | 15% | 11% | 2% | 6% |
| Effective | 41% | 35% | 23% | 29% |
| Partly effective | 24% | 42% | 47% | 42% |
| Ineffective | 12% | 4% | 11% | 9% |
| No opinion | 7% | 9% | 17% | 13% |
| Total | 100% | 100% | 100% | 100% |



About a third of respondents (35%) declared that FAO's support to investment in agriculture had moderately contributed to achieving greater gender equality in the investment related work of its partners (question 18). The particularly high rate of respondents with no opinion on that question (33%) could indicate that a lot of them found it difficult to answer, perhaps because the integration of gender issues into investment plans is still a work under progress.

Question 18. Has FAO's support to investment in agriculture resulted in greater gender equality in the investment related work of its partners?

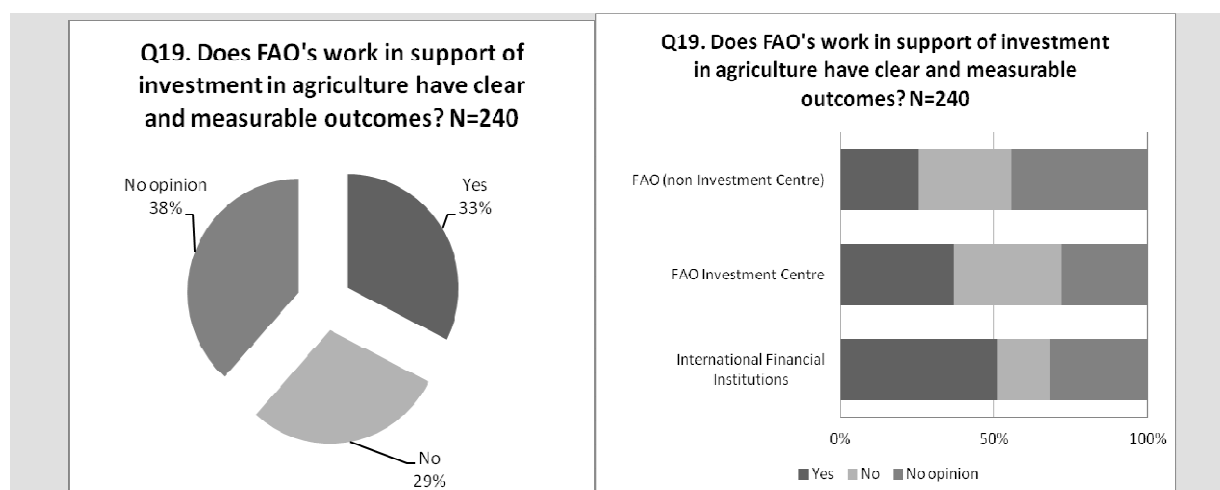
| Q18 | International Financial Institutions | FAO Investment Centre | FAO (non Investment Centre) | Total |
|---------------|--------------------------------------|-----------------------|-----------------------------|-------|
| Substantially | 2% | 7% | 4% | 5% |
| Moderately | 37% | 49% | 28% | 35% |
| Little | 15% | 23% | 24% | 22% |
| Not at all | 2% | 0% | 9% | 6% |
| No opinion | 44% | 21% | 35% | 33% |
| Total | 100% | 100% | 100% | 100% |



No consensus could be observed on how clear and measurable FAO's investment support outcomes were (question 19). The majority of respondents (38%) had no opinion on that question, while the remaining was almost equally shared between affirmative and negative.

Question 19. Does FAO's work in support of investment in agriculture have clear and measurable outcomes?

| Q19 | International Financial Institutions | FAO Investment Centre | FAO (non Investment Centre) | Total |
|------------|--------------------------------------|-----------------------|-----------------------------|-------|
| Yes | 51% | 37% | 25% | 33% |
| No | 17% | 35% | 30% | 29% |
| No opinion | 32% | 28% | 44% | 38% |
| Total | 100% | 100% | 100% | 100% |



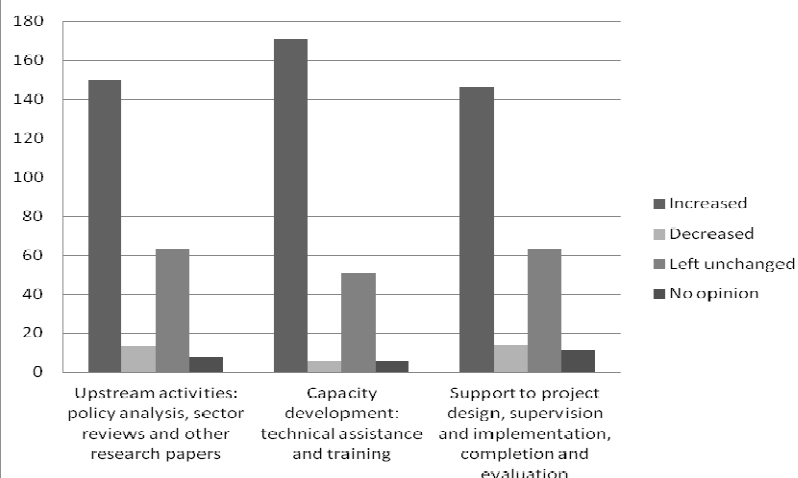
6.5. Improving FAO's support to investment in agricultural and rural development

Most respondents judged that it was desirable to increase all three investment related services currently provided by FAO (question 20). Capacity development was given the highest priority with 72% of respondents estimating that the offer for this service should be increased. Little differences were found across stakeholder categories.

Question 20. To assist its partners better in the future in their work on agricultural investment, which FAO services would you like to see increased, decreased or left unchanged?

| | Increased | Decreased | Left unchanged | No opinion | Total |
|--|-----------|-----------|----------------|------------|-------|
| Upstream activities: policy analysis, sector reviews and other research papers | 64% | 6% | 27% | 3% | 100% |
| Capacity development: technical assistance and training | 73% | 3% | 22% | 3% | 100% |
| Support to project design, supervision and implementation, completion and evaluation | 62% | 6% | 27% | 5% | 100% |

Q20. To assist its partners better in the future in their work on agricultural investment, which FAO services would you like to see increased, decreased or left unchanged? N=234

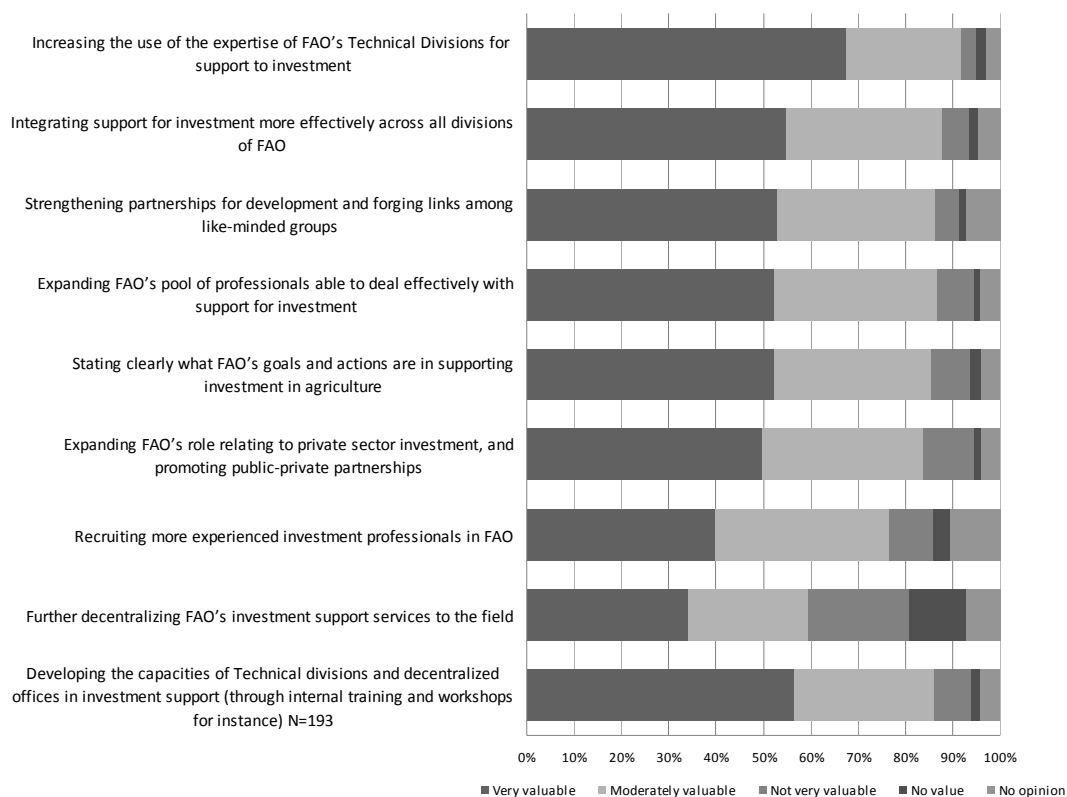


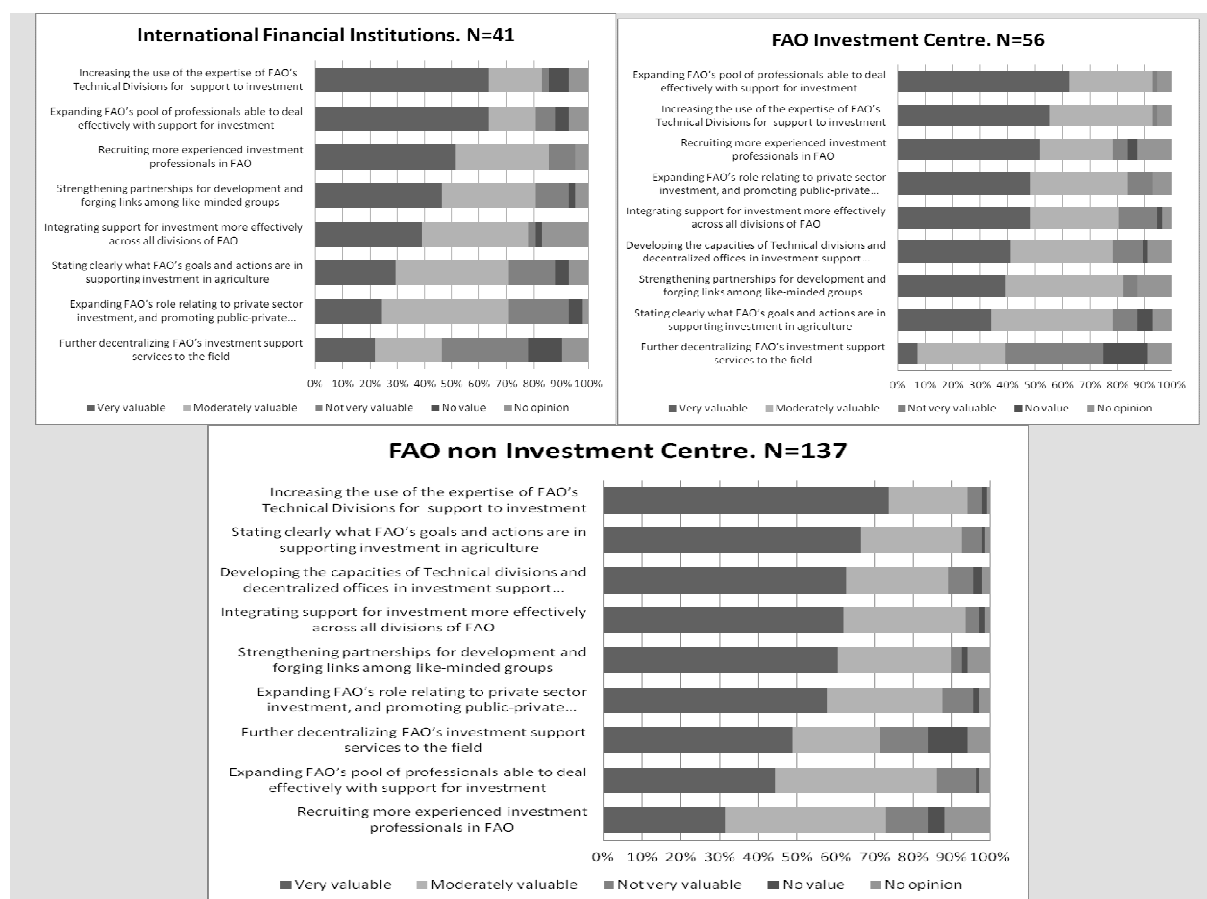
Question 21. Several proposals are listed below which might improve FAO's capacity to support investment in agriculture. Indicate how valuable you think each of them could be.

| | Very valuable | Moderately valuable | Not very valuable | No value | No opinion | Total |
|---|---------------|---------------------|-------------------|----------|------------|-------|
| Developing the capacities of Technical divisions and decentralized offices in investment support (through internal training and workshops for instance) – <i>Restricted to FAO staff</i> N=193 | 56% | 30% | 8% | 2% | 4% | 100% |
| Further decentralizing FAO's investment support services to the field | 34% | 25% | 21% | 12% | 7% | 100% |
| Recruiting more experienced investment professionals in FAO | 40% | 37% | 9% | 3% | 11% | 100% |
| Expanding FAO's role relating to private sector investment, and promoting public-private partnerships | 50% | 34% | 11% | 2% | 4% | 100% |
| Stating clearly what FAO's goals and actions are in supporting investment in agriculture | 52% | 33% | 8% | 3% | 4% | 100% |
| Expanding FAO's pool of professionals able to deal | 52% | 35% | 8% | 1% | 4% | 100% |

| | | | | | | |
|--|-----|-----|----|----|----|------|
| effectively with support for investment | | | | | | |
| Strengthening partnerships for development and forging links among like-minded groups | 53% | 33% | 5% | 1% | 7% | 100% |
| Integrating support for investment more effectively across all divisions of FAO | 55% | 33% | 6% | 2% | 5% | 100% |
| Increasing the use of the expertise of FAO's Technical Divisions for support to investment | 68% | 24% | 3% | 2% | 3% | 100% |

Q21. Several proposals are listed below which might improve FAO's capacity to support investment in agriculture. Indicate how valuable you think each of them could be. N=234





Amongst the eight to nine proposals respondents were asked to evaluate how valuable they could be to improve FAO's capacity to support investment, the one that was considered very valuable by most (68%) was "Increasing the use of the expertise of FAO's Technical Divisions for support to investment" (question 21). This was the top one or two priorities across all categories, revealing a high and common awareness of the positive impact this measure could have.

The five following proposals were judged very valuable by about half of respondents: (i) Integrating support for investment more effectively across all divisions of FAO; (ii) Strengthening partnerships for development and forging links among like-minded groups; (iii) Expanding FAO's pool of professionals able to deal effectively with support for investment; (iv) stating clearly what FAO's goals and actions are in supporting investment in agriculture; and (v) Expanding FAO's role relating to private sector investment, and promoting public-private partnerships.

Further decentralizing FAO's investment support service to the field was estimated to be the least valuable option, with a third of respondents judging that it was not very valuable or had no value at all. However, results were contrasted across categories of respondents: FAO non TCI staff valued more that option than IFI and TCI staff.

Annex 3 Investment Centre Human Resources

TCI Staff by Service in 2012⁴⁷

| TCID | Regular Posts | Temporary Posts | Decent. Posts | Vacant Posts | Total Posts | Occupied Posts |
|-------------|---------------|-----------------|---------------|--------------|-------------|----------------|
| D2 | 1 | | | | 1 | 1 |
| D1 | 1 | | | | 1 | 1 |
| P5 | 5 | | 1 | 1 | 5 | 4 |
| P4 | 4 | 1 | | 2 | 5 | 3 |
| P3 | 2 | | | | 2 | 2 |
| P2 | | 1 | | | 1 | 1 |
| P1 | | | | | 0 | |
| Total | 13 | 2 | 1 | 3 | 15 | 12 |

| TCIN | Regular Posts | Temporary Posts | Decent. Posts | Vacant Posts | Total Posts | Occupied Posts |
|-------------|---------------|-----------------|---------------|--------------|-------------|----------------|
| D2 | | | | | 0 | |
| D1 | 1 | | | | 1 | 1 |
| P5 | 6 | 2 | | | 8 | 8 |
| P4 | 10 | 3 | | 2 | 13 | 11 |
| P3 | 1 | | | | 1 | 1 |
| P2 | | 4 | | | 4 | 4 |
| P1 | | | | | 0 | |
| Total | 18 | 9 | 0 | 2 | 27 | 25 |

| GEF | Regular Posts | Temporary Posts | Decent. Posts | Vacant Posts | Total Posts | Occupied Posts |
|------------|---------------|-----------------|---------------|--------------|-------------|----------------|
| D2 | | | | | 0 | |
| D1 | | | | | 0 | |
| P5 | 1 | | | | 1 | 1 |
| P4 | | 2 | | | 2 | 2 |
| P3 | | 3 | | 2 | 3 | 1 |
| P2 | | 1 | | | 1 | 1 |
| P1 | | | | | 0 | |
| Total | 1 | 6 | 0 | 2 | 7 | 5 |

| TCIO | Regular Posts | Temporary Posts | Decent. Posts | Vacant Posts | Total Posts | Occupied Posts |
|-------------|---------------|-----------------|---------------|--------------|-------------|----------------|
| D2 | | | | | 0 | |
| D1 | 1 | | | | 1 | 1 |
| P5 | 7 | 1 | | 2 | 8 | 6 |
| P4 | 8 | | | 3 | 8 | 5 |
| P3 | 2 | 2 | | 2 | 4 | 2 |
| P2 | | 2 | | | 2 | 2 |
| P1 | | | | | 0 | |
| Total | 18 | 5 | 0 | 7 | 23 | 16 |

| TCIA | Regular Posts | Temporary Posts | Decent. Posts | Vacant Posts | Total Posts | Occupied Posts |
|-------------|---------------|-----------------|---------------|--------------|-------------|----------------|
| D2 | | | | | 0 | |
| D1 | 1 | | | 1 | 1 | |
| P5 | 7 | 3 | 1 | 2 | 10 | 8 |
| P4 | 8 | 2 | | 2 | 10 | 8 |
| P3 | 2 | 5 | | 2 | 7 | 5 |
| P2 | | 2 | | | 2 | 2 |
| P1 | | | | | 0 | |
| Total | 18 | 12 | 1 | 7 | 30 | 23 |

| TOTAL | Regular Posts | Temporary Posts | Decent. Posts | Vacant Posts | Total Posts | Occupied Posts |
|--------------|---------------|-----------------|---------------|--------------|-------------|----------------|
| D2 | 1 | | | | 1 | 1 |
| D1 | 4 | | | 1 | 4 | 3 |
| P5 | 26 | 6 | 2 | 5 | 32 | 27 |
| P4 | 30 | 8 | | 9 | 38 | 29 |
| P3 | 7 | 10 | | 6 | 17 | 11 |
| P2 | | 10 | | | 10 | 10 |
| P1 | | | | | | |
| Total | 68 | 34 | 2 | 21 | 102 | 81 |

⁴⁷ The key difference between “Regular Posts” and “Temporary Posts” is that the regular posts are in FAO’s Programme of Work and Budget, while the temporary post are not. The temporary posts include both posts funded by extra-budgetary resources (including through CPs) and some supported by FAO’s own resources, but subject to termination when funds are no longer available. That said, they can also function virtually like regular posts, sometimes lasting for many years.

TCI Staffing in 2007 and 2012

| | Professional Staff 2007 | | | | | |
|-------|-------------------------|-----------------|---------------|-------------|------------|--------------|
| | Regular Posts | Temporary Posts | Decent. Posts | Total Posts | % of Total | Vacant Posts |
| D2 | 1 | | | 1 | 1% | |
| D1 | 7 | | | 7 | 7% | 3 |
| P5 | 33 | 2 | 4 | 35 | 37% | 7 |
| P4 | 28 | 7 | 5 | 35 | 37% | 10 |
| P3 | 5 | 3 | | 8 | 9% | 2 |
| P2 | 3 | 5 | | 8 | 9% | 1 |
| P1 | | | | 0 | 0% | |
| Total | 77 | 17 | 9 | 94 | 100% | 23 |

| | Professional Staff 2012 | | | | | |
|-------|-------------------------|-----------------|---------------|-------------|------------|--------------|
| | Regular Posts | Temporary Posts | Decent. Posts | Total Posts | % of Total | Vacant Posts |
| D2 | 1 | | | 1 | 1% | |
| D1 | 4 | | | 4 | 4% | 1 |
| P5 | 26 | 6 | 2 | 32 | 31% | 5 |
| P4 | 30 | 8 | | 38 | 37% | 9 |
| P3 | 7 | 10 | | 17 | 17% | 6 |
| P2 | | 10 | | 10 | 10% | |
| P1 | | | | 0 | 0% | |
| Total | 68 | 34 | 2 | 102 | 100% | 21 |

| | General Service 2007 | | | | | |
|-------|----------------------|-----------------|---------------|-------------|------------|--------------|
| | Regular Posts | Temporary Posts | Decent. Posts | Total Posts | % of Total | Vacant Posts |
| G6 | 2 | 1 | | 3 | 8% | |
| G5 | 12 | | | 12 | 33% | |
| G4 | 10 | 1 | | 11 | 31% | 1 |
| G3 | 8 | 1 | | 9 | 25% | |
| G2 | | 1 | | 1 | 3% | |
| Total | 32 | 4 | | 36 | 100% | 1 |

| | General Service 2012 | | | | | |
|-------|----------------------|-----------------|---------------|-------------|------------|--------------|
| | Regular Posts | Temporary Posts | Decent. Posts | Total Posts | % of Total | Vacant Posts |
| G6 | 3 | | | 3 | 9% | |
| G5 | 9 | | | 9 | 27% | 2 |
| G4 | 12 | | | 12 | 36% | |
| G3 | 7 | 1 | | 8 | 24% | |
| G2 | | 1 | | 1 | 3% | |
| Total | 31 | 2 | | 33 | 100% | 2 |

TCI Investment Support Officer Posts assigned to Decentralized Offices, 2012 and 2007

2012 - List of posts in Subregional Offices (not included in TCI staffing)

| Decent- ralised | Regular Posts | Temporary Posts | Decent. Posts | Vacant Posts | Total Posts | Occupied Posts |
|--------------------|------------------|--------------------|------------------|-----------------|----------------|-------------------|
| D2 | | | | | | |
| D1 | | | | | | |
| P5 | 4 | | 4 | 1 | 4 | 3 |
| P4 | 5 | 1 | 6 | 2 | 6 | 4 |
| P3 | | | | | | |
| P2 | | | | | | |
| P1 | | | | | | |
| Total | 9 | 1 | 10 | 3 | 10 | 7 |

2007 - List of posts in Subregional Offices (included in TCI staffing)

| Decent- ralised | Regular Posts | Temporary Posts | Decent. Posts | Vacant Posts | Total Posts | Occupied Posts |
|--------------------|------------------|--------------------|------------------|-----------------|----------------|-------------------|
| D2 | | | | | | |
| D1 | | | | | | |
| P5 | 3 | | 3 | 1 | 3 | 2 |
| P4 | 5 | | 5 | 3 | 5 | 2 |
| P3 | | | | | | |
| P2 | | | | | | |
| P1 | | | | | | |
| Total | 8 | 0 | 8 | 4 | 8 | 4 |

Utilisation of TCI Human Resources

Utilisation of TCI Staff and Consultant's Time

| Total Staff Weeks | 2007 | 2008 | 2009 | 2010 | 2011 | Total | % of Total |
|-----------------------|--------------|--------------|--------------|--------------|--------------|---------------|------------|
| Consultants | 2,147 | 1,824 | 1,589 | 2,076 | 2,558 | 10,194 | 46 |
| Staff | 2,249 | 2,247 | 2,297 | 2,449 | 2,697 | 11,938 | 54 |
| Total | 4,395 | 4,071 | 3,886 | 4,526 | 5,255 | 22,132 | 100 |
| Percent consultants | 49 | 45 | 41 | 46 | 49 | 46 | |
| Non TCI staff | 200 | 225 | 266 | 281 | 273 | 1,245 | 6 |
| Percent non TCI staff | 5 | 6 | 7 | 6 | 5 | 6 | |

Over the last five years TCI committed an average of 4,430 staff weeks per annum to project work
 There was a 35% increase in total staff weeks committed over the last three years
 46% of this total came from consultants and 54% from FAO staff
 About 6% of the total was contributed by other (non-TCI) FAO staff
 There are no discernible trends in the percentage of staff weeks coming from consultants or non-TCI staff

| Total Staff Weeks/year | 1992-96 | 1997-01 | 2002-06 | 2007-11 | Total | % of Total |
|------------------------|--------------|--------------|--------------|--------------|---------------|------------|
| Consultants | 1,893 | 2,024 | 2,658 | 2,039 | 8,614 | 48 |
| Staff | 2,564 | 2,263 | 2,275 | 2,388 | 9,489 | 52 |
| Total | 4,457 | 4,287 | 4,933 | 4,426 | 18,104 | 100 |
| Percent consultants | 42 | 47 | 54 | 46 | 48 | |

Consultants share of total staff weeks has been relatively stable except in 2002-06 when it peaked at 54%

| Billable/Non billable | 2007 | 2008 | 2009 | 2010 | 2011 | Total | % of Total |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|---------------|------------|
| Consultants billable | 1,864 | 1,750 | 1,452 | 1,354 | 2,101 | 8,522 | 39 |
| Staff billable | 1,795 | 1,857 | 1,579 | 2,306 | 2,007 | 9,545 | 43 |
| Total billable | 3,659 | 3,607 | 3,032 | 3,661 | 4,108 | 18,067 | 82 |
| Consultants non-billable | 282 | 74 | 137 | 722 | 457 | 1,672 | 8 |
| Staff non-billable | 454 | 390 | 717 | 143 | 690 | 2,393 | 11 |
| Total non-billable | 736 | 464 | 854 | 865 | 1,147 | 4,065 | 18 |
| Total | 4,395 | 4,071 | 3,886 | 4,526 | 5,255 | 22,132 | 100 |
| % billable | 83 | 89 | 78 | 81 | 78 | 82 | |
| No of professional staff | 69 | | | | 87 | | |
| Billable weeks/professional | 26 | | | | 23 | | |

Of the total time committed to project work 82% was billable
 However the percentage of billable time has been lower during the last three years
 The amount of time billed per professional staff member is relatively low at 23 weeks per year
 This declined from 26 weeks per year in 2007
 Non-billed time includes non-billable project work plus management, administration and other time not charged to projects
 Total billable time is assumed to be 43 weeks per year
 On this basis average billing rate is 53% of billable time
 Excludes decentralised positions

| Activity type | 2007 | 2008 | 2009 | 2010 | 2011 | Total | % of Total |
|----------------|--------------|--------------|--------------|--------------|--------------|---------------|------------|
| Sector Studies | 1,553 | 1,426 | 1,586 | 1,465 | 1,856 | 7,885 | 36 |
| Supervision | 1,114 | 1,291 | 1,182 | 1,366 | 1,607 | 6,560 | 30 |
| Preparation | 1,260 | 1,012 | 915 | 1,438 | 1,483 | 6,108 | 28 |
| Appraisal | 469 | 342 | 203 | 257 | 309 | 1,580 | 7 |
| Total | 4,395 | 4,071 | 3,886 | 4,526 | 5,255 | 22,132 | 100 |

TCI staff and consultants commit roughly equal amounts of time to sector studies, supervision and preparation/appraisal
 There are no significant trends in the mix of activities over the five-year period

Utilisation of TCI Staff and Consultant's Time (Continued)

| Activity type (weeks/yr) | 1992-96 | 1997-01 | 2002-06 | 2007-11 | Total | % of Total |
|--------------------------|--------------|--------------|--------------|--------------|---------------|------------|
| Sector Studies | 999 | 1,237 | 1,509 | 1,577 | 5,321 | 29 |
| Supervision | 678 | 758 | 869 | 1,312 | 3,617 | 20 |
| Preparation | 2,634 | 1,949 | 2,296 | 1,222 | 8,100 | 45 |
| Appraisal | 147 | 344 | 259 | 316 | 1,065 | 6 |
| Total | 4,457 | 4,287 | 4,933 | 4,426 | 18,104 | 345 |

Over the period 1992-96 to 2007-11 there were significant changes in the mix of activities
Sector studies increased from 22% to 36% of allocated time
Supervision increased from 15% to 30%
Preparation declined from 59% to 28%

| Regio | 2007 | 2008 | 2009 | 2010 | 2011 | Total | % of Total |
|--------------------------|--------------|--------------|--------------|--------------|--------------|---------------|------------|
| Africa | 1,397 | 1,194 | 1,064 | 1,316 | 1,500 | 6,471 | 29 |
| Asia | 885 | 1,013 | 921 | 1,112 | 1,299 | 5,231 | 24 |
| Near East | 559 | 593 | 470 | 629 | 455 | 2,705 | 12 |
| Others | 648 | 389 | 587 | 489 | 589 | 2,702 | 12 |
| Europe | 437 | 401 | 416 | 561 | 684 | 2,500 | 11 |
| Latin America, Caribbean | 458 | 475 | 417 | 410 | 720 | 2,480 | 11 |
| North America, Canada | 10 | 4 | 11 | 8 | 8 | 41 | 0.2 |
| Oceania | 0 | 3 | 0 | 0 | 0 | 3 | 0.0 |
| Total | 4,395 | 4,071 | 3,886 | 4,526 | 5,255 | 22,132 | 100 |

Africa and Asia are the two main geographic regions accounting for 53% of staff weeks
There is an up-trend in staff weeks allocated to Asia

| Region (weeks/yr) | 1992-96 | 1997-01 | 2002-06 | 2007-11 | Total | % of Total |
|--------------------------|--------------|--------------|--------------|--------------|---------------|------------|
| Africa | 1,693 | 1,734 | 1,750 | 1,294 | 6,471 | 36 |
| Asia | 1,206 | 934 | 1,024 | 1,046 | 4,209 | 23 |
| Near East | 441 | 387 | 750 | 541 | 2,120 | 12 |
| Others | 13 | 90 | 298 | 540 | 942 | 5 |
| Europe | 395 | 409 | 414 | 500 | 1,718 | 9 |
| Latin America, Caribbean | 709 | 727 | 686 | 496 | 2,618 | 14 |
| North America, Canada | 0 | 6 | 11 | 8 | 26 | 0 |
| Oceania | 0 | 0 | 0 | 1 | 1 | 0 |
| Total | 4,457 | 4,287 | 4,933 | 4,426 | 18,104 | 100 |

Over a longer time period Africa has been the main focus of activity, but has decreased during the last five years

Utilisation of TCI Staff and Consultant's Time (Continued)

| Partners | 2007 | 2008 | 2009 | 2010 | 2011 | Total | % of Total |
|--------------|--------------|--------------|--------------|--------------|--------------|---------------|------------|
| World Bank | 2,372 | 2,395 | 2,074 | 2,552 | 2,541 | 11,935 | 54 |
| IFAD | 614 | 451 | 280 | 681 | 912 | 2,937 | 13 |
| EBRD | 103 | 171 | 225 | 367 | 467 | 1,332 | 6 |
| Trust Funds | 42 | 238 | 99 | 450 | 393 | 1,222 | 6 |
| TCP | 199 | 209 | 275 | 109 | 176 | 967 | 4 |
| Others | 1,065 | 607 | 932 | 367 | 767 | 3,740 | 17 |
| Total | 4,395 | 4,071 | 3,886 | 4,526 | 5,255 | 22,132 | 100 |
| | 0.54 | 0.59 | 0.53 | 0.56 | 0.48 | 0.54 | |

The World Bank has consistently accounted for 50-60% of total TCI work since 2007
 IFAD is the second most important partner, with activity more than tripling in the last three years
 EBRD work has also shown a consistent up-trend over the five-year period
 The amount of activity financed by trust funds has increased almost ten-fold since 2007

| Partners | 1992-96 | 1997-01 | 2002-06 | 2007-11 | Total | % of Total |
|--------------|--------------|--------------|--------------|--------------|---------------|------------|
| World Bank | 2,544 | 2,219 | 2,333 | 2,387 | 9,482 | 52 |
| IFAD | 511 | 433 | 320 | 587 | 1,851 | 10 |
| EBRD | 53 | 87 | 148 | 266 | 555 | 3 |
| Trust Funds | 0 | 16 | 103 | 244 | 364 | 2 |
| TCP | 174 | 254 | 818 | 193 | 1,439 | 8 |
| Others | 1,175 | 1,277 | 1,211 | 748 | 4,411 | 24 |
| TOTAL | 4,457 | 4,287 | 4,933 | 4,426 | 18,104 | 100 |
| | 0.57 | 0.52 | 0.47 | 0.54 | 0.52 | 0.52 |

Over a longer time period World Bank activity has consistently been around 50% of the total
 EBRD and trust fund work have shown large increases over this period
 Activities financed by TCPs were significant in 2002-06 but have since declined

Annex 4

Investment Centre Financial Resources: Revenue and Expenditure

| TCI Revenue and Expenditure, 2011 | | |
|--------------------------------------|---------------|-----|
| Revenue | USD'000 | % |
| External income (amount billed) | 20,080 | 61 |
| FAO regular programme funding | 12,874 | 39 |
| Total Revenue | 32,954 | 100 |
| Expenditure a/ | | |
| Staff Costs (including SCV) | 18,734 | 58 |
| Consultants | 6,421 | 20 |
| Travel | 5,518 | 17 |
| Other Costs | 1,519 | 5 |
| Total Expenditure | 32,192 | 100 |
| Gross Surplus (including SCV) | 762 | |
| Net Surplus (excluding SCV) | 38 | |

a/ Including staff cost variation

| TCI Revenue and Expenditure 2007-11 | | | | |
|-------------------------------------|----------------|-----------------|-------------------|-------------|
| | Expenditure a/ | External Income | Regular Programme | Per cent RP |
| 2007 | 21,605 | 12,535 | 9,070 | 42 |
| 2008 | 28,402 | 14,170 | 14,232 | 50 |
| 2009 | 28,073 | 14,015 | 14,058 | 50 |
| 2010 | 32,864 | 18,685 | 14,178 | 43 |
| 2011 | 32,954 | 20,080 | 12,874 | 39 |

a/ Including staff cost variation

In 2011 TCI generated revenue of \$32.9 million of which 61% came from fees and 39% came from regular programme resources
Staff costs (salaries and allowances) accounted for almost 60% of total costs
Consultants and travel costs made up most of the remainder
Over the last five years external income (billed to partners) increased by 60% from \$12.5 million to \$20.1 million
Funds allocated from FAO's regular programme increased from \$9 million to \$14 million but have since declined to \$12.8 million

Projected TCI Revenue and Expenditure: Baseline Scenario (Constant 2012 values)

| BASELINE (NO GROWTH) SCENARIO | Note | | Actual | Estimated | Projected | | | | | Total |
|--------------------------------------|-------------|---------------|---------------|------------------|------------------|---------------|---------------|---------------|---------------|----------------|
| TCI Revenue | | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2013-17 |
| External income (amount billed) | | \$'000 | 20,080 | 20,080 | 20,080 | 20,080 | 20,080 | 20,080 | 20,080 | 100,400 |
| FAO regular programme funding | | \$'000 | 12,874 | 12,874 | 12,874 | 12,874 | 12,874 | 12,874 | 12,874 | 64,368 |
| Total Revenue | | \$'000 | 32,954 | 32,954 | 32,954 | 32,954 | 32,954 | 32,954 | 32,954 | 164,768 |
| TCI Expenditure | | | | | | | | | | |
| Staff Costs - professional | | \$'000 | 15,608 | 15,608 | 15,608 | 15,608 | 15,608 | 15,608 | 15,608 | 78,039 |
| Staff Costs - general service | | \$'000 | 3,126 | 3,126 | 3,126 | 3,126 | 3,126 | 3,126 | 3,126 | 15,628 |
| Incremental outposting costs | | \$'000 | 0 | 0 | 160 | 360 | 600 | 600 | 600 | 2,320 |
| Subtotal - Staff Costs | | \$'000 | 18,734 | 18,734 | 18,894 | 19,094 | 19,334 | 19,334 | 19,334 | 95,988 |
| Consultants | | \$'000 | 6,421 | 6,421 | 6,421 | 6,421 | 6,421 | 6,421 | 6,421 | 32,106 |
| Travel | | \$'000 | 5,518 | 5,518 | 5,518 | 5,518 | 5,518 | 5,518 | 5,518 | 27,592 |
| Other Costs | | \$'000 | 1,519 | 1,519 | 1,519 | 1,519 | 1,519 | 1,519 | 1,519 | 7,593 |
| Subtotal - Other Costs | | \$'000 | 13,458 | 13,458 | 13,458 | 13,458 | 13,458 | 13,458 | 13,458 | 67,291 |
| Gross Surplus (including SCV) | | \$'000 | 762 | 762 | 602 | 402 | 162 | 162 | 162 | 1,489 |
| Net Surplus (excluding SCV) | | \$'000 | 38 | 38 | -122 | -322 | -562 | -562 | -562 | -2,131 |
| No of professional staff | | persons | 90 | 90 | 90 | 90 | 90 | 90 | 90 | 450 |
| No of decentralised/outposted staff | | persons | 11 | 11 | 15 | 20 | 26 | 26 | 26 | 113 |
| Amount billed per professional | | \$'000/person | 223 | 223 | 223 | 223 | 223 | 223 | 223 | 1,116 |
| No of general staff | | persons | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 160 |
| Ave cost of professional staff | a/ | \$'000/person | 173 | 173 | 175 | 177 | 180 | 180 | 180 | 893 |
| Ave cost of general staff | | \$'000/person | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 488 |

Projected TCI Revenue and Expenditure: 10% Growth Scenario (Constant 2012 Values)

| 10% GROWTH SCENARIO | | | Actual | Estimated | Projected | | | | | Total |
|--------------------------------------|----|---------------|---------------|--|------------------|---------------|---------------|---------------|---------------|----------------|
| TCI Revenue | | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2013-17 |
| External income (amount billed) | b/ | \$'000 | 20,080 | 20,080 | 24,542 | 26,773 | 33,467 | 33,467 | 33,467 | 151,716 |
| FAO regular programme funding | c/ | \$'000 | 12,874 | 12,874 | 12,874 | 12,874 | 12,874 | 12,874 | 12,874 | 64,368 |
| Total Revenue | | \$'000 | 32,954 | 32,954 | 37,416 | 39,647 | 46,340 | 46,340 | 46,340 | 216,084 |
| TCI Expenditure | | | | | | | | | | |
| Staff Costs - professional | | \$'000 | 15,608 | 15,608 | 19,076 | 20,810 | 26,013 | 26,013 | 26,013 | 117,926 |
| Staff Costs - general service | | \$'000 | 3,126 | 3,126 | 3,516 | 3,907 | 4,395 | 4,395 | 4,395 | 20,610 |
| Incremental outposting costs | d/ | \$'000 | 0 | 0 | 160 | 360 | 600 | 600 | 600 | 2,320 |
| Subtotal - Staff Costs | | \$'000 | 18,734 | 18,734 | 22,753 | 25,078 | 31,009 | 31,009 | 31,009 | 140,856 |
| Consultants | | \$'000 | 6,421 | 6,421 | 7,063 | 7,770 | 8,547 | 9,401 | 10,341 | 43,122 |
| Travel | | \$'000 | 5,518 | 5,518 | 6,070 | 6,677 | 7,345 | 8,080 | 8,888 | 37,060 |
| Other Costs | | \$'000 | 1,519 | 1,519 | 1,671 | 1,838 | 2,021 | 2,223 | 2,446 | 10,199 |
| Subtotal - Other Costs | | \$'000 | 13,458 | 13,458 | 14,804 | 16,285 | 17,913 | 19,704 | 21,675 | 90,381 |
| Gross Surplus (including SCV) | | \$'000 | 762 | 762 | -141 | -1,715 | -2,581 | -4,373 | -6,343 | -15,153 |
| Net Surplus (excluding SCV) | | \$'000 | 38 | 38 | -865 | -2,439 | -3,305 | -5,096 | -7,067 | -18,772 |
| No of professional staff | e/ | persons | 90 | 90 | 110 | 120 | 150 | 150 | 150 | 680 |
| No of decentralised/outposted staff | | persons | 11 | 11 | 15 | 20 | 26 | 26 | 26 | 113 |
| Amount billed per professional | | \$'000/person | 223 | 223 | 223 | 223 | 223 | 223 | 223 | 1,116 |
| No of general staff | | persons | 32 | 32 | 36 | 40 | 45 | 45 | 45 | 211 |
| Ave cost of professional staff | | \$'000/person | 173 | 173 | 175 | 176 | 177 | 177 | 177 | 884 |
| Ave cost of general staff | | \$'000/person | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 488 |
| Financing Gap: Total 2013-17 | | | \$'000 | Comments | | | | | | |
| Baseline Scenario | | | 2,131 | Attributable to increased cost of outposting | | | | | | |
| 50% growth scenario | | | 18,772 | Increase from 90 to 150 professionals | | | | | | |

a/ Includes incremental outposting costs of \$40,000 per person

b/ Assumes constant billings per professional staff member

d/ No change in number of outposted staff

e/ All vacancies filled and number of professional posts increased from 105 to 150

Annex 5

The Original Cooperative Agreement with the World Bank (1964)

Copy to Law Library 9/3/70
ANNEX B *FAO*

MEMORANDUM OF UNDERSTANDING WITH RESPECT TO WORKING ARRANGEMENTS
BETWEEN THE FOOD AND AGRICULTURE ORGANIZATION OF THE
UNITED NATIONS AND THE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT AND THE
INTERNATIONAL DEVELOPMENT ASSOCIATION

LEGAL FILE
Archives Division

FAO and the Bank* have for many years been cooperating on an ad hoc basis on matters of common concern. Now that the Bank intends to put more emphasis than hitherto on schemes for improvement of agricultural production, which are of equal concern to FAO, this cooperation will have to be intensified. It accordingly appears desirable both to FAO and the Bank that working arrangements be agreed upon setting forth the principles to govern such cooperation.

These working arrangements, as agreed upon by the Director-General of FAO and the President of the Bank subject to the approvals specified in paragraph 7 hereof, are as follows:

1. The Cooperative Program

FAO and the Bank will cooperate together in the following fields:

- (a) Assisting countries of common membership in the identification and preparation of agricultural projects of types which fall within the framework of the economic development objectives and general policies of the Bank and FAO and which the Bank is willing to consider for financing (including projects for agricultural education falling within FAO's field of responsibility).
- (b) Appraising projects of the foregoing types.
- (c) Providing end-use supervision of the execution and operation of Bank-financed projects.
- (d) Arranging for technical assistance required for the implementation of Bank-financed projects.

Assistance to member governments in agricultural planning is recognized as an important foundation for investment programs in the long term. Insofar as this type of activity is carried out by FAO as part of its Regular or other programs, it is the sole responsibility of FAO. However, in cases agreed with the Bank where FAO carries out this type of activity at the request of the Bank or in cooperation with the Bank, the activity will be part of the cooperative program.

2. Allocation of Functions within the Cooperative Program

(a) Assistance to Governments in Identification and Preparation of Projects

(i) At FAO initiative

FAO will bring to the notice of the Bank projects which appear suitable for Bank financing arising from FAO's activities, whether under its Regular or other programs.

* All references in this memorandum to the Bank shall be taken to include both the Bank and the International Development Association.

The Bank will advise FAO whether such projects are prima facie suitable for consideration for financing, and if so, what further action, if any, needs to be taken in order to prepare such projects for appraisal. Moreover, where, in the course of its own activities, FAO wishes the assistance of the Bank in determining whether a project is likely to qualify for Bank or other external financing, or what further steps are necessary to prepare it for appraisal, the Bank will provide such assistance, assuming staff resources permit, either by way of review of the project at Bank headquarters or by participating in the field work.

(ii) At Bank initiative

The general survey missions organized by the Bank may include among their functions the identification of promising projects in various sectors. The Bank will normally look to FAO to provide, as part of the cooperative program, staff members or consultants to serve as advisers to such missions. These advisers will participate in defining priority fields and major projects for investment in agriculture in the framework of over-all development objectives. Missions of this type will be briefed by both the Bank and FAO and both organizations will review and comment upon the draft reports of such missions.

In addition to these general survey missions, the Bank periodically sends smaller missions to a member country to review the country's economic situation and to assess the possibilities for Bank financing. Such economic missions usually make a preliminary selection among projects submitted by the government, and may sometimes suggest that the government work up a specific project for Bank consideration. The Bank will advise FAO of all such missions on which it is proposed to include an agricultural member, and will normally arrange for such missions to consult with FAO with regard to agricultural investment priorities and possible projects. In agreed cases, FAO will provide, as part of the cooperative program, a staff member or consultant to serve as agricultural adviser to such a mission.

Where, in the opinion of the Bank, a project not yet ready for appraisal is sufficiently promising to warrant further preparation, and the government in question has requested assistance in such preparation, FAO will normally provide such assistance as part of the cooperative program.

(iii) General

In all work connected with the identification and preparation of projects falling under the cooperative program, FAO and the Bank will maintain continuing consultation in order that they may agree on a work program and on the priorities to be assigned to different projects, and in

order to minimize the possibilities of substantive disagreement. The support of headquarters facilities will at all times be given to Bank and FAO staff and consultants engaged in work under the cooperative program.

(b) Appraisal of Projects

The Bank will be responsible for the appraisal of projects, upon the basis of which its financing decisions are made. However, at the request of the Bank, FAO will provide, as part of the cooperative program, staff members or consultants to serve as agricultural advisers on Bank appraisal missions.

(c) End-Use Supervision of Bank-Financed Projects

The Bank will be responsible for disbursement of funds and the end-use supervision of the construction and maintenance of physical facilities, and to this end will be responsible for such review as may be appropriate of the specifications, bids, and awards of contracts, and for whatever inspections of the project are necessary in this connection. FAO will, in cases agreed with the Bank, assume responsibility as part of the cooperative program, to ascertain, both through field inspections and through review of periodic reports, and to advise the Bank whether the agricultural objectives of the project are being achieved, and in particular whether the obligations undertaken by the borrower in this regard are being fulfilled. The results of FAO's end-use work on the agricultural aspects of Bank-financed projects will be made available to the Bank and, in the event that representations to the borrower should be necessary on agricultural matters, FAO and the Bank will consult together on how they might best be made.

(d) Technical Assistance in Project Implementation

In cases agreed with the Bank, FAO will provide or arrange for and will exercise appropriate supervision over technical assistance required for the direct implementation of a Bank-financed project.

3. Personnel

It is agreed that the cooperative program requires a team of specialized personnel of high caliber within the FAO secretariat which can devote itself continuously to this work (hereafter referred to for purposes of this Memorandum as "FAO team"). The Director-General of FAO will therefore make provision for such a team to be established as an identifiable group within the FAO secretariat. FAO and the Bank will agree from time to time on the appropriate size of the FAO team and on the types and classifications of positions to be included within the team, and the Director-General of FAO will consult with the Bank on the appointment of professional staff to the team.

The FAO team, although it will be devoted full time to work in connection with the cooperative program, will be an integral part of the FAO secretariat and will operate under the exclusive authority of the Director-

General of FAO. Both FAO and the Bank agree that it is desirable that the hard core of the team should to the greatest possible extent be composed of existing FAO staff members. However, it is recognized that for a variety of reasons new staff and ad hoc consultants will be necessary, both in the initial phases of cooperation and as the program expands, although generally maximum care will be taken to secure continuity in employment. It is also recognized that it will be necessary and desirable from time to time to use FAO staff members outside the team for purposes of the cooperative program.

In cases where FAO intends to appoint an outside consultant to serve as agricultural adviser to a Bank mission, or to provide technical assistance in the implementation of a Bank-financed project, it will consult with the Bank as to the person to be appointed.

4. Financial Arrangements

(a) Subject to the qualifications set forth below, the direct costs of FAO in connection with agreed work under the program, including salaries, allowances and other benefits and travel costs of the FAO team, of outside consultants and of other FAO staff members assigned to such work, will be shared equally by FAO and the Bank up to a ceiling figure to be fixed from time to time by agreement between the two organizations.

(b) The travel and subsistence expenses of FAO staff members and consultants while serving as members of Bank appraisal, general survey or other missions, will be borne or provided for by the Bank.

(c) FAO will pay for invisible overhead costs, including space, and for identifiable indirect costs (except as provided in sub-paragraphs (d) and (e)) involved in its participation in the cooperative program.

(d) The Bank will bear the cost of document reproduction and translation undertaken by FAO in agreement with the Bank.

(e) The cost of technical assistance directly required for the implementation of Bank-financed projects, including an amount for FAO's estimated administrative costs in arranging for such technical assistance in cases agreed with the Bank, will be paid for out of the proceeds of the financing or will be otherwise met by the Bank. The amount for estimated administrative costs will be 12 percent of the direct cost of such technical assistance except where technical assistance is provided under contract between FAO and some outside entity, in which event the amount will be fixed by agreement between FAO and the Bank.

(f) It is recognized that the calendar years 1964 and 1965, which comprise FAO's present budgetary biennium, are a transitional period during which FAO's contribution is limited by its existing budget. For those years, the agreed ceiling figure for purposes of sub-paragraph (a) above, to be shared equally by the two organizations, will be \$400,000 for the biennium. FAO's costs in excess of this amount will be met by the Bank, provided that FAO will not incur or commit itself to incur costs in excess of \$800,000 (the presently estimated cost of the cooperative program) during the biennium without the prior approval of the Bank.

(g) Continuation of the program beyond December 31, 1965, will be subject to mutual agreement in the light of experience and to the decision of FAO's 1965 Conference. It is intended, however, that if the program is continued, the ceiling figure to be agreed upon for purposes of sub-paragraph (a) above for periods after December 31, 1965, will be an amount reflecting the principle of cost-sharing set forth in said sub-paragraph (a).

(h) The Bank and FAO will agree on the procedures for payment of funds from the Bank to FAO, and for accounting to the Bank by FAO, in connection with the cooperative program, including, if possible, provision for a working fund out of which the expenses of the program can be met.

5. Relations with other Agencies

Where the Bank looks to any outside agency for assistance in connection with agricultural projects, that agency will normally be FAO. However, there may be cases where, because of the type of project involved or because of special circumstances, it would be appropriate and desirable for the Bank to look to some other agency, public or private, to perform some or all of the functions which FAO would ordinarily perform under these Working Arrangements. It is agreed that in all such cases the Bank will consult FAO on the action it proposes to take. It is also agreed that the Bank will not subject FAO's advice on agricultural matters within its competence and covered by the cooperative program to review by any outside agency.

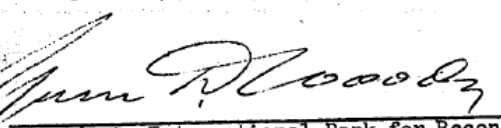
6. Modification and Termination

These Working Arrangements may be modified or supplemented at any time by mutual agreement between the two organizations. Each organization may, after reasonable notice, terminate the arrangements, provided that, if they are terminated by the Bank, the Bank will reimburse FAO for the financial consequences of cancelling personnel commitments entered into for purposes of the cooperative program.

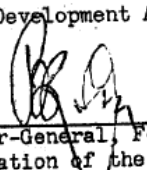
7. Effectuation of the Arrangements

The Working Arrangements will become operative on an interim basis when this Memorandum of Understanding is signed by the Director-General of FAO and the President of the Bank, but the continuation thereof will be subject to the approval of the Boards of Governors in the case of the Bank and IDA and of the Council in the case of FAO. It is contemplated that the necessary approvals will authorize payment by the Bank to FAO retroactively to 1 March 1964 of expenses incurred for purposes of the cooperative program which would have been eligible for payment if these Working Arrangements had been effective on that date.

30 March 1964


President, International Bank for Reconstruction and Development and International Development Association

April 2, 1964


Director-General, Food and Agriculture Organization of the United Nations

(Date)

Annex 6

Evaluation Inception Report



Food and Agriculture Organization
of the United Nations

FINAL
8/8/12

Office of Evaluation

FAO's Role in Investment for Food Security, Agriculture and Rural Development: An Independent Evaluation

Inception Report

Investment in Agriculture

Investment involves giving up something today in order to accumulate assets that generate increased income or other benefits in the future.

Farmers make investments on their farms by acquiring farm equipment and machinery, purchasing animals or raising them to productive age, planting permanent crops, improving their land, constructing farm buildings, etc. By doing this, they build capital to become more productive in the future. Governments may invest in things like rural roads and large-scale irrigation infrastructure, all assets that generate returns in terms of increased productivity over a long period of time.....private companies [also] invest extensively in agricultural research and [agricultural processing], which is crucial for raising the long-run productivity of agriculture.

Both governments and rural populations may invest in education, which raises the productivity of the beneficiaries and generates long-term returns. Investments can be funded either by private actors - such as farmers, small rural enterprises, and large private companies – or by governments. The source of funding can also be either domestic or foreign. Foreign direct investment can complement private investments by nationals in a country. A part of public investments may be funded by international flows from international organizations, NGOs or official development assistance from national governments.

Governments make investments that are specific to agriculture and directly aim at primary production in the crop, livestock, aquaculture and forestry sectors as well as in upstream and downstream activities. Governments also invest in other sectors that have a major positive impact on agricultural production and productivity and on farm incomes. For example, investments in transport and communications infrastructure, energy, general education, health and nutrition, ecosystem services, market institutions and broader legal and social institutions all support agriculture.

Draft text from “*The State of Food and Agriculture 2012: Investing in Agriculture for a better future*”, FAO Rome (Under preparation). Cited with permission of the authors.

Table of Contents

| | |
|--|-----------|
| Acronyms..... | 58 |
| 1. Introduction | 59 |
| 1.1 The Current Role of investment in FAO | 59 |
| 1.2 The Purpose and Nature of the Evaluation..... | 60 |
| 1.3 Clients of the Evaluation..... | 62 |
| 1.4 Previous Reviews..... | 62 |
| 2. Scope of the Evaluation..... | 64 |
| 2.1 General Scope of the Evaluation | 64 |
| 2.2 The Context and Scope of the Evaluation | 64 |
| 2.3 Evaluation Criteria: Relevance, Efficiency and Effectiveness | 66 |
| 2.4 Period to be Reviewed (2007-2012)..... | 67 |
| 2.5 Analytical Focus..... | 68 |
| 2.5.1 Governance and Strategy for Support to Investment | 68 |
| 2.5.2 Policies and Instruments for Support to Investment | 68 |
| 2.5.3 Institutional Capacity for Support to Investment | 69 |
| 2.6 Background to the Evaluation Framework | 69 |
| 2.7 The Evaluation Framework..... | 73 |
| 2.8 Limitations of the Evaluation | 73 |
| 3. Methods and Sources of Information | 74 |
| 3.1 Documents, Surveys and Interviews..... | 74 |
| 3.1.1 Review of Documentation | 74 |
| 3.1.2 Surveys of Stakeholders | 74 |
| 3.1.3 Interviews with key Stakeholders | 75 |
| 3.2 Country Studies | 76 |
| 3.3 Admissibility of Evidence..... | 77 |
| 3.4 Evaluation, Dissemination and Exit Workshops | 77 |
| 4. Evaluation Outputs and Work Plan | 79 |
| 4.1 Outputs of the Evaluation..... | 79 |
| 4.2 Timetable for the Evaluation | 79 |
| Annex 1 – Selection criteria for case study countries | 80 |

Acronyms

| | |
|----------|---|
| AGS | Rural Infrastructure and Agro-industries Division |
| ARD | Agriculture and Rural Development |
| CAADP | Comprehensive Africa Agriculture Development Programme |
| CCA | Common Country Assessment |
| CP | Cooperative Programme |
| CPF | Country Programming Framework |
| EBRD | European Bank for Reconstruction and Development |
| FAO | Food and Agriculture Organization of the United Nations |
| GAFSP | Global Agriculture and Food Security Programme |
| GEF | Global Environment Facility |
| IFAD | International Fund for Agricultural Development |
| IEE | Independent External Evaluation of FAO (2007) |
| IFI | International Financial Institution |
| IPA | Immediate Plan of Action for FAO's Renewal |
| ODA | Official Development Assistance |
| OECD-DAC | Organization of Economic Cooperation for Development – Development Assistance Committee |
| PRSP | Poverty Reduction Strategy Paper |
| SO | Strategic Objective |
| SO-L | Strategic Objective 'L' (on support to investment) |
| TCI | Investment Centre division of FAO |
| UNEG | United Nations Evaluation Group |
| UNDAF | UN Development Assistance Framework |
| WB | World Bank |
| WFP | World Food Programme |

1. Introduction

1.1 The Current Role of investment in FAO

48. The past several years have seen a re-emergence of interest by most countries, donors and international financial institutions (IFIs) in investing in ARD. For example, while total ODA has grown from USD 2.7 billion in 2004 to USD 7.2 billion in 2010 the share going to agriculture has risen from 3.4% in 2004 to 5.6% in 2010). Although, still very modest in absolute terms this increase in ODA was helped along by recent food price crises, which made it clear to all that globalization and the expansion of agricultural commodity markets have huge effects on farmers and on agriculture everywhere. Well planned investment in ARD can help mitigate the consequences of high price fluctuations on the poor.

49. ARD is again seen as a key way to reduce poverty and eliminate hunger (MDG1), but also as an important engine of economic development. Developing countries and donors alike are emphasising the need for greater productivity in all parts of the agriculture and food production value chain. This demands the right skills in designing effective investment strategies, plans and programmes in the field of ARD.

50. As part of its Global Goals⁴⁸ FAO seeks to increase both levels and impact of public and private sector investment in food and agriculture. As FAO's investment strategy states: "Effective agriculture and rural development investments are those that result in sustained food security and reduced poverty. This is our mission."

51. Since 1964, FAO has been providing its membership with investment support mainly through the Investment Centre Division (TCI⁴⁹) and in particular through its Cooperative Programme (CP) with the World Bank and similar agreements⁵⁰ with several other IFIs. TCI provides investment support at regional and (mainly) at national level in agriculture, livestock, forestry, fisheries, food and nutrition, rural development, rural infrastructure and natural resource management. The 2007 Independent External Evaluation of FAO (IEE) noted that TCI's original purpose was to use FAO's technical knowledge and skills to design investment strategies and projects suited to funding by the IFIs so that: a) FAO member countries would have increased access to funds for agricultural development; b) the IFIs gained access to high-quality agricultural expertise; and c) FAO would be able to leverage its technical knowledge and experience.⁵¹

52. The Investment Centre is one of the largest FAO divisions, with nearly 80 professional staff, ten of which are decentralised to FAO's Sub-Regional Offices. Only 40% of its funding comes from FAO, while 60% of its budget is provided through cooperative agreements with 27 IFIs which lend for agriculture, of which the top six partners account for the nearly all of the funding⁵². The World Bank, by far the largest partner⁵³, accounts in most years for more than

⁴⁸ To reduce world hunger; support agricultural and rural development to reduce poverty; and achieve sustainable use of natural resources

⁴⁹ The FAO acronym for the Investment Centre is "TCI" because it is in the Technical Cooperation Department (TC).

⁵⁰ The original "Cooperative Programme" is the one agreed between the World Bank and FAO in 1964, which still functions. In the intervening years, TCI has set up cooperative agreements with several other IFIs, with varying arrangements and conditions.

⁵¹ IEE, p.98

⁵² TCI has other minor sources of funding, including two small trust funds that have helped finance, among other items, TCI's support to the CAADP process in Africa.

⁵³ The partnership concept is based on the idea that FAO's contribution represents the member governments share and thus confers a degree of independence on TCI in its dealings with the IFIs.

60% of the IFI contributions to TCI. In 2011, TCI carried out more than 1000 field missions in support of work under FAO's Strategic Objective 'L' (described in Section 2.6), and, to a much lesser extent, for other technical advisory tasks concerning investment under other Strategic Objectives.

53. In addition to the Investment Centre, several other FAO technical divisions do investment-related work as part of their technical assistance to member countries. In particular, the Rural Infrastructure and Agro-industries Division (AGS), which also has responsibility for agricultural marketing and rural finance, works with government and the private sector on partnerships for better investment strategies and the management of investment risk. In particular, AGS supports investment by small and medium producers and agri-businesses. Some of this investment support is done together with TCI. Other divisions active in supporting investment and risk mitigation include Animal Production and Health, Forestry, Fisheries, Land Tenure and Management, and the Integrated Food Security Support Service, which supports development of national and regional food security programmes to help guide investment to alleviate food insecurity. Taken together, this work by other divisions is less sharply focused on investment (i.e., on specific approaches and tools for investment), and no other division besides TCI has a separate budget for investment support work.

54. Following the 2007 IEE, FAO identified support to investment as one of its 11 Strategic Objectives in the Strategic Framework 2010-19 and Medium-Term Plan 2010-13.^{54,55} Strategic Objective 'L' (SO-L) was to achieve "increased and more effective public and private investment in agriculture and rural development." In practice this objective has been guided and almost entirely implemented by TCI.⁵⁶

55. FAO, under its new management, is in the midst of completely revising its Strategic Framework. The five proposed Strategic Objectives (SOs) address FAO's cross-cutting thematic goals, rather than specific sectors or activities. The new SOs (eradication of hunger, increased production, improved livelihoods, better food systems, and resilience to crises no longer identify "investment" or any other specific activity as an objective. Support to better policies, from global to country level, is the theme of the proposed new SO's. Support for the implementation of those policies through better management of investment is seen to be the key instrument.

1.2 The Purpose and Nature of the Evaluation

56. **Purpose.** This is an evaluation of the FAO's support to investment and of the role and work of the FAO Investment Centre. It is being conducted between April and November 2012. Growing recognition of the importance of public and private sector investment in the agriculture sector and the changing international and development context, prompted the FAO Programme Committee to request the evaluation at its 108th session in October 2011. The Report of the Evaluation will be presented at the March 2013 session of the Committee. The evaluation is an important complement to the *Evaluation of FAO's Role and Work in Food and Agriculture Policy*⁵⁷ that was presented to the Committee in May 2012.

⁵⁴ Strategic Framework 2010-19. FAO, Rome. 19-23 November 2009. Medium Term Plan 2010-13 and Programme of Work and Budget 2010-11. FAO, Rome. August 2009.

⁵⁵ Support to investment was not included among the Strategic Objectives of the previous Strategic Framework 2000-2015.

⁵⁶ The only significant exception in the budget for SO-L are extra budgetary funds provided through South-South Cooperation, which is not directly the responsibility of TCI, nor does it appear to be directly related to investment.

⁵⁷ Evaluation of FAO's Role and Work in Food and Agriculture Policy. FAO Rome. January 2012.

57. The purpose of this evaluation is to assess the capacity, role and comparative advantage of FAO in providing investment support to its member countries. It will give particular attention to the Investment Centre within the wider setting of FAO as a whole. It will evaluate how much progress FAO has made with its current Strategic Objectives (2010-19) with respect to investment and investment support over the last few years. In particular it will consider how well FAO's current approach to investment work aligns with its proposed revised Strategic Objectives currently under discussion. To do so the evaluation team will seek to maintain a dialogue with the ongoing process of strategic reform in FAO.

58. This evaluation is a strategic exercise focused on understanding and evaluating the institutional processes through which FAO provides investment support. Rather than analyzing the content of FAO investment advice, the report will concentrate on the role, organization, capacities, and approaches through which FAO undertakes its investment support work. In this sense, the evaluation will focus on exploring the challenges to and opportunities for improvement in each of the following areas:

- *Governance* – What is FAO's current strategy, how is the strategy managed and how is it changing with regard to investment support?
- How is FAO's strategy linked to its country and regional strategies?
- *Context* – How, with respect to investment, is FAO adapting and managing in an evolving development consensus, in particular:
 - i. the aid architecture as framed by the Paris, Accra and Busan Declarations on Aid Effectiveness; and
 - ii. the increased emphasis on multi-sector and public-private partnerships to address global and regional challenges – in this case agricultural investment and agricultural investment support.
- *Policy* – How does investment support link to FAO policy support and to regional and to country needs?
- *Institutions* – Does FAO have absolute or comparative advantage in supporting global, regional and country investment and investment support and capacity development?
- *Methods* – Are the instruments used by FAO and especially TCI effective, differentiated by partner and fit for purpose?
- *Results* - What results were desired and what results have been recorded for 2007-2012. Were expectations met or exceeded? What could and should be achieved going forward?

59. *Nature*. This evaluation will be conducted, primarily as a *formative evaluation*⁵⁸. However, the evaluation will examine FAO's performance in investment work over the five years since 2007 summatively⁵⁹ seeking to understand and assess what has been achieved. Then, using the evidence arising, it will assess how FAO investment performance can be improved. This part of the evaluation will be formative. Formative methods are typically used when a program is exploring new approaches, adjusting to changing circumstances and when knowledge is not complete. The evaluation is intended to support learning for change and adjustment of program parameters. It will be widely disseminated.

60. Evaluation techniques (see also Chapter 3) will include the use of desk reviews, one-on-one interviews and facilitated group sessions within FAO as well as surveys inside and outside FAO. The team will conduct interviews with experts in agriculture and those supporting sector investment and value chain development as well as governments, other development agencies, and FAO's regional and country

⁵⁸ A *formative evaluation* is a means of judging the worth of a programme while the programme activities are forming or happening. Formative evaluation focuses on processes.

⁵⁹ A *summative evaluation*, usually comes at the end of an intervention to determine whether the program has achieved the desired outcomes. It provides a summative evaluation renders a judgment on the program's worth.

offices. Because of time and cost limitations extensive country case studies cannot be undertaken although substantive field visits will be made to a sample of countries in all regions.

1.3 Clients of the Evaluation

61. The evaluation's primary audience is FAO, particularly its senior managers and policy makers as well as its technical staff who are and will be designing and implementing FAO's investment support work. A second important audience for the evaluation is the member countries which review and approve – and are the clients of – FAO's Strategic Framework, Medium-Term Plan and Programme of Work and Budget. The evaluation will also assist member countries both in identifying the strengths and weaknesses of FAO's work in this area, and in analyzing FAO's future strategy for investment support.

62. Given the investment focus of the evaluation and the ties linking the Investment Centre to its cooperating IFIs, the evaluation will also be of interest to the IFI's as they review their interactions with FAO and seek to maximise benefits.

1.4 Previous Reviews

63. As could be expected, over the nearly 50 years of its existence, the FAO Investment Centre has at times been assessed and analysed both by external partners and internally as part of periodical management reviews.⁶⁰ The only formal evaluation of the Investment Centre done previously by the Office of Evaluation was a small desk study carried out in 1998 for the Programme Evaluation Report. External assessments include two evaluations carried out by the WB of their Cooperative Programme with FAO in the 80's and in the 90's,⁶¹ a study of TCI done in the context of the IEE, and a Special Study on FAO Framework Agreements carried out in 2011 by EBRD. TCI has also had internal audits over the years, in particular a major one in 2003 which suggested substantial adjustments.

64. Early internal reviews of TCI work in 1974 and 1979 reviewed only the FAO/WB Cooperative Programme, as this was the main activity of the Centre at the time. These reviews found that the CP had been instrumental in mobilizing investment in agriculture and in shaping Bank lending, noting the shift from large-scale infrastructure projects to assistance targeting the poor, e.g. strengthening farmers' cooperatives and expanding agricultural credit. Nonetheless, the influence of the TCI on the WB's agricultural strategies and policies was judged to be less than it could have been, not least because of too few resources for TCI to engage other units in FAO.

65. The Independent External Evaluation (IEE) in 2007 found that there had been a change in the way TCI provided services to its clients, moving away from teams led and largely staffed by TCI officers toward the provision of TCI specialists, often consultants, in tasks led by others.⁶² This, the IEE concluded, had reduced TCI's ability to influence IFIs' overall project approach. The IEE also observed that there was little evidence of FAO's experience and knowledge having being scaled up through the IFIs. More recently, OED's 2012 Evaluation of FAO's Role and Work in Food and Agriculture Policy recognized TCI's significant contribution to national policy dialogues, though this work was not always recognisable to counterparts as FAO work due to the embedding of TCI experts in IFI-led teams. But,

⁶⁰ (i) 1974, 1979 –Reviews by TCI of the Cooperative Programme, for the Programme Committee; (ii) 1986, CP review by *M. Veraart* ; (iii) desk study for the Programme Evaluation Report 1998 – 1999, Chapter Three, Support to Investment; (iv) 2003 TCI Review by the TC Department and major audit; 2007, study on TCI as part of the Independent External Evaluation of FAO.

⁶¹ The team has not yet been able to review the two WB evaluations.

⁶² It should be noted that the evolution toward greater dependency on consultants is one that TCI shares with much of FAO, due to shrinking regular budgets in the past two decades.

EBRD's 2011 Special Study⁶³ drew different conclusions, recognizing that FAO often influenced the dynamics and genesis of projects, acting as the driver of initiatives. But, the same study also revealed that these contributions didn't have a clear underlying strategy or policy direction.

66. Some recent FAO Country Evaluations have also made assessments of TCI's work. A 2009 evaluation of FAO's work in India⁶⁴ noted that TCI priorities were often set by the World Bank and that FAO, acting somewhat outside its mandate, seemed to work mostly as a recruitment agency in the national market for consultants and that the CP often missed opportunities of tapping into FAO expertise. In an evaluation of FAO's work in Haiti (2011)⁶⁵ TCI was found to have provided substantial input into the National Investment Plan but did not harmonise and integrate contributions from FAO's technical divisions. Yet, a 2011 evaluation of FAO's Cooperation with Brazil⁶⁶ found that TCI support, mostly related to rural development, the environment and natural resources management, was highly appreciated by stakeholders.

67. Internal reviews all agree that cooperation with FAO technical divisions needs to be fostered within TCI to increase knowledge transfer, both within the organization and to the IFIs. They also note that heavy use of consultants makes knowledge transfer within the organization less likely. In general, the links between TCI and other FAO divisions were found to be relatively weak, with the exception of specific collaborations with technical divisions in certain fields (e.g. statistics, tenure, soil and water, and forestry). The recent (2012) evaluation of FAO's work in land tenure,⁶⁷ reviewing an area where TCI has worked closely with a technical division, still found a lack of alignment on technical issues between the WB and FAO, that TCI staff worked under the CP virtually as consultants to the WB, and that TCI operated opportunistically rather than strategically.

68. Some reviews examined the cost-effectiveness of using TCI services. Although FAO Reviews carried out before the 1980s concluded that the use of CP services was cost-effective for the WB, the review of agricultural project preparation procedures carried out by the Bank in 1984 concluded that the quality of CP preparation reports was not significantly better or worse than that of reports prepared by Bank staff or consultants, and the same conclusion was drawn by the IEE in 2007. EBRD's review, however, found TCI services to be clearly cost-effective and confirmed the relevance of the EBRD/FAO Framework Agreement.

69. Overall, the picture that emerges from prior reviews is mixed revealing both positive and negative findings. The collective judgment appears to be that improvement is both possible and desirable. Hence, the importance of this evaluation, the first major evaluation of TCI since its establishment in 1964.

⁶³ Special Study on FAO Framework Agreements (EBRD Independent Evaluation Department, 2011)

⁶⁴ Evaluation of FAO Cooperation in India (FAO Office of Evaluation, 2009)

⁶⁵ Evaluation de la coopération de la FAO en Haïti (2005 – 2010). (FAO Office of Evaluation, 2011)

⁶⁶ Evaluation of FAO cooperation with Brazil 2002-2010 (FAO Office of Evaluation, 2011).

⁶⁷ Evaluation of FAO's Work on Tenure, Rights and Access to Land and other Natural Resources. (FAO Office of Evaluation, 2012)

2. Scope of the Evaluation

2.1 General Scope of the Evaluation

70. The main purpose of the evaluation is to assess the role, comparative advantage, capacity and processes of FAO in the provision of support to investment to its members and clients, including the private sector.⁶⁸ It will work across all areas of FAO's mandate with a special focus on the work of the Investment Centre which has been FAO's main instrument for work on investment in agriculture since 1964. The evaluation will apply the broad definition of agriculture investment set down at the front of this report.

71. As a both a summative and formative evaluation, it will only briefly review the long history of support for investment by FAO. It will focus on activities over the past five years (2007-2012) and possible improvements in the years ahead. It will address two overarching questions with respect to FAO's work on investment and investment support in agriculture:

1. How well has FAO, especially TCI, performed in the last few years?
2. In the context of FAO's emerging Strategic Framework, how could it do better?

72. The evaluation will develop evidence-based findings and recommendations on: (i) FAO's role and positioning; (ii) its internal and external instruments and processes, comparative advantage and capacity; and (iii) the type, quantity and quality of FAO's support for investment. Most of the key questions to be asked are to be found in Table 1.

2.2 The Context and Scope of the Evaluation

73. Figure 1 below provides a schematic of the evaluation and shows the flow of actions and interactions within FAO, as well as in the wider world, that collectively illustrate and constitute FAO's support to investment. It shows how FAO draws on its strategic framework, both the old and the new, within the global agricultural investment environment, to deliver services to investors and financial institutions that are intended to lead to more and more effective public and private investment. Lastly, it diagrammatically defines the scope of the evaluation within a larger context.

⁶⁸ In looking at the private sector, the evaluation is focusing on the corporate/commercial private sector; on-farm investment by smallholders will not be addressed directly.



2.3 Evaluation Criteria: Relevance, Efficiency and Effectiveness

74. The evaluation will employ the accepted norms and standards for evaluation established by the United Nations Evaluation Group (UNEG) and the OECD-DAC focusing on: (i) FAO's role, comparative advantage, ***relevance*** and responsiveness, and the extent to which its work to support investment fits FAO's mandate and is aligned with the priorities of its clients and partners; (ii) how FAO goes about its work, makes choices to ensure the ***efficient*** and timely application of its resources, and the overall quality of its work to support investment; and (iii) the ***effectiveness*** of FAO in influencing its clients and partners in the use of best practices to support investment, how client capacity is increased and the likelihood that best practices are pursued after FAO support is ended.

75. To understand **FAO's role, comparative advantage, relevance and responsiveness** to member countries' needs and global imperatives for increased public and private investment in food, agriculture and rural development, the evaluation will explore:

- how FAO positions itself to meet the changing national and international needs for investment support;
- the responsiveness and relevance of FAO in the development of country-level investment strategies, plans and projects that implement sound policies;
- the extent to which investment support work has reflected FAO commitments in the first (2000-2015) and second (2010-19) FAO Strategic Frameworks, as well as in the UN Millennium Development Goals and other internationally agreed strategies, goals and standards;
- the degree to which investment work has focused on priority issues of member countries and regional clients;
- the roles FAO's new Country Programming Frameworks (CPFs), regional priority-setting processes and decentralization reform play in supporting and focusing investment work;
- the actual and potential role of TCI in delivering on FAO's commitments at country level under the UN Development Assistance Frameworks (UNDAFs), WB Common Country Assessments (CCAs), and Poverty Reduction Strategy Papers (PRSPs) ;
- the reciprocal influence of the parties to the Cooperative Programmes in setting priorities for support to investment;
- FAO's comparative advantage in support for investment and the extent to which its work provides the most appropriate response, taking full account of the work of others; and
- FAO's ability to respond flexibly and quickly to changing demands.

76. To understand how FAO achieves **efficiency in the use of its resources and maintains quality** in its work supporting investment, the evaluation will investigate:

- the mechanisms used to set priorities and make choices at the institutional and country levels;
- how FAO employs its human, knowledge and financial resources, multi-disciplinary capacity and internal mechanisms to promote integration of investment work with other areas of its mandate;

- the reasons for the growing use of external consultants and how this has influenced FAO's performance;
- how FAO promotes alignment and collaboration among its divisions and the impact of the current reform process on work to support investment;
- FAO's approach to project and investment programme design work and analysis supplied to its members, clients and partners; and
- how and how well FAO works in partnership with others to provide investment assistance and advice, including the CPs and mechanisms employed by TCI.

77. **FAO's effectiveness and impact** on its target beneficiaries and the **sustainability** of its work to support investment will include analysis of:

- the institutional outcomes and impacts foreseen in FAO's Strategic Framework (2010-2019) and Medium Term Plan (2010-2013);
- FAO's role in transforming policy support and advice into effective investments;
- comparison of TCI's financial accountability model with accountability mechanisms elsewhere in FAO, to identify comparative strengths and weaknesses;
- the extent to which TCI is able to successfully use its business model to carry out different kinds of investment work, in particular the upstream and the capacity development work.
- the extent to which FAO is able to stimulate investment in the areas of its mandate and thus leverage its technical support work in member countries;
- the impact of FAO support on national capacity for investment formulation, resource allocation and translation of improved policy into sound investments where relevant data can be obtained;
- the extent (where relevant data is available) to which investment support takes account of FAO's global governance role in food and agriculture, advocating global principles and agreements while supporting national priorities, requests and needs; and
- whether investment projects with FAO input have fared any better (in design, implementation, impact and sustainability) than similar projects without FAO participation.⁶⁹

2.4 Period to be Reviewed (2007-2012)

78. FAO's ability to promote the flow of investment to agriculture and food production was significantly increased with the establishment of the FAO/World Bank CP in 1964. The success of this collaboration led to the establishment of other cooperation agreements with regional development banks between 1965 and 1968⁷⁰ and subsequently, links to other financial institutions, including IFAD shortly after its founding in 1977 and the EBRD in 1991. While providing some history of this evolution, the evaluation will pay special attention to evidence from the five years since the IEE, assessing particularly work since 2010 under the Strategic Framework (2010-2019) and the Medium Term Plan (2010-2013) as

⁶⁹ An assessment of this kind was done based on World Bank project evaluations in the context of the IEE study of TCI in 2006 (IEE 2007, Para 359). This might be updated and possibly expanded, but at this stage it is unclear if this can be done reliably.

⁷⁰ Cooperative Agreements were signed with the Inter-American Bank in 1965, the African Development Bank in 1967, the Asian Development Bank in 1968 and the European Bank for Reconstruction and Development in 1991.

well as considering the implications of the ongoing comprehensive review of FAO's Strategic Objectives.⁷¹

2.5 Analytical Focus

79. The analytical focus of the evaluation will explore the past and future role of FAO in supporting investment in ARD and diagnose how to improve the processes and content of FAO's work in the future. The evaluation will be organized around three pillars: (i) governance and strategy; (ii) policies, instruments and partnerships; and (iii) institutional capacity.

2.5.1 Governance and Strategy for Support to Investment

80. Within the UN system, there is no globally agreed definition of governance. However, the IEE of 2007 defined governance as the exercise of political authority by the member nations,⁷² including:

- Setting clear strategic directions, priorities, and guidance and allocating resources commensurate to the agreed goals and programme of work;
- Observing the law, ethics and sound financial and human resource management; and
- Monitoring implementation of governance decisions by management and assessing the results of FAO's performance and activities.

81. FAO helps develop global policy and legislative coherence in its area of mandate, provides oversight and direction for its programmes and secretariat, and monitors implementation of these decisions. Governance as defined above and with respect to investment work will be evaluated at the level of the institution including the regional and country levels.

82. Hence, the evaluation will seek to understand FAO's goals, objectives, strategies and policies for support to investment; how they have evolved and how they are set; if they are clear and well understood internally and externally; if they are adequately resourced, commensurate with the outcomes sought; and, in a constrained resource environment, what results are prioritized and how they are guided, monitored and assessed by the governing bodies.

83. Since 2010, FAO has employed a new Strategic Framework that spells out the organizational results it seeks to achieve which are also reflected in the Medium-Term Plan (2010-2013). The evaluation will seek to assess how FAO is performing with these recently introduced mechanisms and how its performance might be improved in the light of the review currently underway.

2.5.2 Policies and Instruments for Support to Investment

84. Policy work is among the most important things that FAO does.⁷³ The provision of policy advice was one of FAO's eight Core Functions in the 2010 Strategic Framework and it plays a supporting role in several of the others (related to long-term perspectives and trends, international agreements, advocacy and mobilizing political will). Therefore the evaluation will review how FAO develops policy in support of investment and the instruments and mechanisms used to implement improved policies. It will ask how FAO participates in the articulation of policy and strategy for greater investment in agriculture; and what

⁷¹ To be discussed by FAO's Council June 11-15, 2012.

⁷² Evaluation of FAO's Work in Food and Agriculture Policy. January, 2012.

⁷³ Evaluation of FAO's Role and Work in Food and Agriculture Policy. January 2012, page 1.

role it does to translate improved policies into effective investments. It will examine how FAO employs partnerships to fulfil its mandate.

2.5.3 FAO Institutional Capacity for Support to Investment

85. Recent concern for underinvestment in global agriculture and food production, and the inability of food supplies to meet demand at affordable prices has grown at the same time as the overall capacity of FAO to fulfil its mandate has shrunk.⁷⁴ The evaluation will assess the human, financial and technical capacity of FAO to provide support for work in investment; how these resources have changed over time; how the balance between internal and external resources employed has shifted; and, how well they meet the current and expected future demand for technical and financial services across an expanding array of issues. The quantity, quality and mix of resources will be assessed against a growing and diversifying agenda that is both global and national. The thrust will be to understand the strengths and weaknesses of the processes employed, their alignment with national priorities and how they might be improved.

86. Since the evaluation will be institution-wide, it will seek to cover support for investment work from all quarters of FAO with a special focus on TCI and its relationships with the rest of the organization. How effectively does FAO perform as “one FAO?” The Investment Centre is perceived to operate somewhat independently, with stronger links to its external partners than its internal partners, although efforts have been made by TCI to forge stronger links with other divisions. The evaluation will address how relations between TCI and the rest of FAO have evolved, the mechanisms that promote cooperation, how they affect work to support investment and how they might evolve in the future. The evaluation will also investigate how FAO’s decentralization has affected resource mobilization and employment, and consider possible alternatives.

87. The evaluation will assess how FAO, especially TCI, works to strengthen the institutional capacity of its clients and partners, including how FAO supports capacity development to implement sound policy through well-designed investment operations, and how it expects to implement the recommendations of its recently completed evaluations of its work on policy and on capacity development in Africa, as this will affect the likely course of its work on investment.

2.6 Background to the Evaluation Framework

88. FAO adopted a results-based approach to programme planning, implementation and reporting in its 2008 Immediate Plan of Action for FAO’s Renewal (IPA). The four-year Medium Term Plan (2010-2014) applies the principles of the results-based approach including the major elements of FAO’s Strategic Framework (2010-2019), that includes FAO’s vision, global goals of members, strategic objectives, functional objectives, organizational results, and core functions.

89. FAO’s support for work in investment is specifically recognized in Strategic Objective L - “*increased and more effective public and private investment in agriculture and rural development*” and in three axiomatic Organizational Results (L1, L2 and L3), namely:

90. **Organizational Result L1 – “*Greater inclusion of food and sustainable agriculture and rural development investment strategies and policies in national and regional development plans and frameworks.*”** This corresponds closely with FAO’s “upstream” support for investment work that was evaluated in FAO’s Role and Work in Policy using four primary tools:

⁷⁴ According to the IEE a 15% decline in real terms between 1994-1995 and 2004-2005.

- i. Provision of targeted expertise and knowledge products (trend analysis, statistics, information and international instruments) in government investment framework formulation;
- ii. Appraisals, policy advice and interdisciplinary technical support in partnership with governments, donors and international financing institutions (IFIs) to advance FAO's strategic objectives and organizational results;
- iii. Develop tools tracking private investment trends in agriculture and the business environment to attract additional private investment; and
- iv. Advocacy and communications to mobilize political will and promote global recognition of required actions in areas of FAO's mandate.

91. **Organizational Result L2 – “Improved public and private sector capacity to plan, implement and enhance the sustainability of food and agriculture and rural development investment operations.”** This corresponds to FAO's support for capacity development for investment work using three primary tools:

- i. Provision of FAO-led interdisciplinary capacity development and mentoring of national counterparts in investment cycle management;
- ii. The promotion of peer learning in the preparation, implementation and evaluation of investment in FSARD; and
- iii. Development and application of related information and knowledge products including lessons learned from IFI and regional/thematic studies in support of investment.

92. **Organizational Result L3 – “Quality-assured public/private sector investment programmes, in line with national priorities and requirements, developed and financed.”** This corresponds to FAO's “downstream” work in support of sound policies and strategies for food, agriculture and rural development of FAO's member countries) using four primary tools:

- i. The integrated provision of FAO interdisciplinary technical, policy and investment cycle management expertise to countries;
- ii. The application of innovative approaches to the organization's technical work and support services;
- iii. Effective partnerships with IFIs and donors to jointly achieve member country development goals; and
- iv. FAO guidelines and technical support on developing Public Private Partnerships for investment in food and agriculture.

93. The three organizational results are targeted to account for 30%, 20% and 50% in that order of TCI's budget of USD 71M for the biennium 2012-13, i.e. approximately USD 21M, USD 14M and USD 36M. In 2011 and in the same order the actual allocation was 21%, 15% and 64%. Additionally, FAO's Medium Term Plan 2010-14 recognizes a shift in support to investment towards more upstream sector work and capacity development on investment planning (L1 and L2) relative to the traditional work on project preparation (L3).

94. Today, FAO's Strategic Framework is under review. The draft Reviewed Strategic Framework proposes a number of changes to the framework agreed in 2010.⁷⁵ Notable among these are: (i) a less explicit focus in the text on support for investment; and (ii) a significant effort (in a background document) to identify FAO's comparative advantage across its mandate and with reference to investment.⁷⁶ The evaluation will pay close attention to the ongoing strategic review and attempt to assess how it will influence FAO's role in supporting investment.

⁷⁵ Outline of the Reviewed Strategic Framework for discussion by the Programme Committee in Rome June 11-15, 2012.

⁷⁶ FAO's Attributes, Core Functions and Comparative Advantages. CL 144/14 – Web Annex to the document in footnote 26 above.

Table 2. The Evaluation Framework⁷⁷

| | Governance and Strategy with respect to Investment | Policies and Instruments for Support to Investment | Institutional Capacity for Support to Investment |
|--|--|--|--|
| Questions for FAO | <ul style="list-style-type: none"> • How does FAO governance and strategy contribute to fulfilling its mandate to support investment in agriculture? • Is there an enabling environment in FAO that supports its work in investment? • Is FAO strategy aligned with the strategic needs of its member countries, IFIs and donors? • Is FAO's approach to decentralization optimal? • How does FAO's work on investment reflect and support the new architecture for aid effectiveness? • How does FAO employ partnerships to help deliver its strategic objectives? • What is FAO's strategic position regarding the private sector and private sector investment in agriculture? | <ul style="list-style-type: none"> • How does FAO align itself with and serve global, regional and country policy and strategy for investment in agriculture? • How effectively does FAO deliver its support for investment? • How does FAO's support to investment result in improved policy implementation? • How is FAO employing partnerships to meet its strategic objectives for investment? • How does FAO engage with the private sector and with what results? • How does FAO link its investment-related work with its rapidly evolving role in food and agriculture policy support? | <ul style="list-style-type: none"> • What is FAO's capacity to deliver relevant & high quality support for investment? • How well is FAO organized and equipped to deliver this? • Does FAO have the tools, skills, management and reputational capital to fulfil its role? • What is FAO's comparative advantage in delivering support to investment? • What has been FAO's recent performance in delivering high quality support for investment? • How does FAO measure its performance and what does the record show? • What role has decentralization played in FAO's capacity to deliver support for investment? |
| Questions for Members, Clients and Partners | <ul style="list-style-type: none"> • What does FAO aim to achieve strategically and how does it go about it? • How does FAO's work align with the priorities of members, clients and partners? • How do members assess FAO's strategic performance how do they rate its achievements? • How is FAO's strategic support to investment evolving and how might it be improved? • How does FAO employ partnerships strategically and operationally to promote aid effectiveness? i.e. with respect to ownership, alignment, harmonization, results and accountability. • What is FAO's approach to partnerships and the private sector and how is it used? | <ul style="list-style-type: none"> • How is FAO support for investment linked to improved country policy and strategy? • How does FAO's support for investment improve the impact of policy support? • How does FAO measure its impact on policy implementation and what has been achieved? • Is FAO's work to implement improved policy work evolving and how might it be improved? • What role does FAO ascribe to its partners and the private sector for improved investment? • How effective are FAO's relationships and partnerships in its investment work? • How valuable are FAO knowledge and tools for investment planning etc.? | <ul style="list-style-type: none"> • What role do FAO's members, clients and partners expect FAO to play? • Does FAO meet the expectations of its member countries, clients and partners? • Does FAO have a local comparative advantage? If yes, what is it based on? • How is FAO perceived by its competitors, notably in the private sector? • How effective is FAO's assistance to regional bodies and multi-country institutions dealing with agriculture and rural development investment strategies; |

⁷⁷ In the interests of simplicity TCI is not explicitly mentioned but is subsumed in FAO.

2.7 The Evaluation Framework

95. The objectives and the tools deployed to achieve SOL and OR's L1, L2 and L3 constitute much of the agenda for this evaluation. Nevertheless, as a formative evaluation that seeks to influence future performance and is focused heavily on process, the core questions constituting the evaluation framework (Table1) have been refined in consultation with FAO staff during the course of preparing this report..

2.8 Limitations of the Evaluation

96. This evaluation has three clear limitations:

- 1) The evaluation will not attempt to answer the questions “what difference has FAO made to support for investment in agriculture?” or “how much better or worse off would the status of agriculture be if FAO had not sought to provide support for investment since the 1960s?” Such questions lie well beyond the mandated scope of the evaluation.
- 2) The evaluation will be undertaken at the same time as FAO's Council is reviewing the Organization's Strategic Framework. Although this may turn out to be an important opportunity to influence the future trajectory of FAO's work on investment it is unclear at this stage whether this will prove to be possible.
- 3) Several operational factors could reduce the efficacy of the evaluation, including a) the complexity of the core questions to be addressed, b) the need to answer them mainly through face-to-face interviews and meetings, and c) the short elapsed time (eight-months) allotted for the evaluation from initial discussions to draft final report.

3. Methods and Sources of Information

97. The evaluation will gather, analyse and report information through a range of methods designed to gain insights from the full range of stakeholders involved in and affected by agricultural sector investments. The interactions with stakeholder groups will include, but not necessarily be limited to, seeking views and information relating to the key evaluation criteria: relevance (including comparative advantage and responsiveness); efficiency (including quality); effectiveness and sustainability. A full assessment of impact is beyond the scope (and resources) of the evaluation.

3.1 Documents, Surveys and Interviews

3.1.1 Review of Documentation

98. This will include documents from within FAO and in particular TCI as well as documents from other agencies working in related fields.⁷⁸ These documents will include the cooperative agreements with IFI's and others. Additionally, documents offering an understanding of other agencies policies and procedures will be assembled in order to make a comparative assessment of FAO's role in encouraging ARD investments and investment strategies.

3.1.2 Surveys of Stakeholders

99. Surveys will be conducted using questionnaires designed to gather opinions from a larger sample of stakeholders than is possible through direct interviews. The questionnaires will be designed to be quick and easy to complete by the respondents and to be analysed by the evaluation team. The questionnaires will follow a "market research" approach which seeks to learn what stakeholders need and want, whether FAO is meeting these demands, what they think about the quality of services provided by FAO, how they see the future role of FAO, etc. Questions may need to be differentiated somewhat to be effective with different groups of stakeholders. The **internal** stakeholders to be surveyed will include:

- TCI professional staff and management personnel
- FAO Headquarters staff in all relevant divisions
- FAO staff in country, sub-regional and regional offices

100. The **external** stakeholders to be surveyed are expected to include:

- The major IFI's who partner with FAO on investment related issues (WB, EBRD, IFAD etc)
- National ministries responsible for agriculture, rural development, planning and finance
- Selected international NGOs engaged in agriculture and rural development

⁷⁸ Key internal documents include: Report of the IEE and its supporting documents 2007, The Immediate Plan of Action for FAO Renewal 2009, FAO Support to Investment, Draft Strategy 2009 and revision 2012, The Medium Term Plan 2010-13, The Strategic Framework 2010-19, Outline of the Reviewed Strategic Framework 2012, FAO's Attributes, Core Functions and Comparative Advantages 2012, Financial Resource Flows to Agriculture 2011, The State of Food and Agriculture 2012, Evaluation of FAO's Role and Work in Food and Agriculture Policy 2012, Country Investment Plans in Agriculture: Lessons from Early Experience 2012 and TCI annual workplans, budgets, strategy documents and assessments.

- Regional or thematic groupings engaged in agricultural sector investment such as GAFSP, GEF, CAADP etc.
- Consulting firms and other agencies with whom TCI competes.

101. The evaluation will build on, and go beyond TCI's own Partner Survey of 2010.

3.1.3 Interviews with key Stakeholders

102. These interviews will build on the findings of the documentation review and surveys to develop a more nuanced understanding of the key issues that have and will in the future shape FAO's role in supporting investment in food security and agriculture. They will reflect as completely as possible the questions set out the Evaluation Framework (Table 1).

103. In many face to face interviews a semi-structured approach will be employed mainly to ensure that a common set of questions is addressed to all respondents. A range of other techniques may also be used including group brainstorming sessions, workshops and focus groups. Such forums allow participants to air their views on key issues, and to raise others they consider important. Respondents are expected to fall into six categories:

- Stakeholders in FAO Headquarters including TCI, and other relevant divisions including Forestry, Fisheries, Rural Infrastructure and Agro-industries Division (AGS); the Climate, Energy and Tenure Division (NRC); the Trade and Markets Division (EST); the Office of Knowledge Exchange, Research and Extension (OEK); and the policy units of TCS and ESA.
- Stakeholders in a sample of FAO country, sub-regional and regional offices.
- Permanent Representatives of member countries.
- Key informants in partner institutions, in particular the World Bank, other IFI's, the Rome-based UN agencies (IFAD and WFP), and some leading bilateral donors in agriculture and rural development.
- Consultants who have been engaged by FAO in investment-related activities and private sector firms that compete with TCI for IFI business.

104. Whilst the evaluation covers all of FAO, a review of the structure and functions of TCI, the focal point for most of FAO's investment support activity, is of central importance. The evaluation will seek to identify the strengths and weaknesses of the division in terms of its capacity to deliver the services needed by existing and potential clients. Information will be assembled on several key areas of performance. These are, but may not be limited to:

- Management structure, reporting lines, responsibilities and accountability
- Business objectives and how to measure and monitor them
- Staff expertise and experience profiles relative to the demands of the market
- Horizontal and vertical linkages within FAO
- The pros and cons of decentralisation
- The cost and quality of services provided compared to private sector and institutional competitors
- Responsiveness to client needs and continuity of client engagement

- The extent of explicit and implicit subsidies by FAO
- Procedures for the use of consultants including quality assurance protocols
- Marketing and promoting TCI services among existing and potential clients
- Recruitment and administrative procedures and costs

3.2 Country Studies

105. It is essential to understand how FAO's investment support services work at country level. Because of the fragmented nature of TCI country-level work, it is not easy to find a sample of countries with sufficient volume, continuity and innovativeness of work to allow useful analysis. Therefore, choosing a random sample with a small sampling fraction would risk having a number of unrepresentative countries in the sample. Hence, a list of selection criteria was drawn up in an effort to maximize the information pay-off from each country visit. Table 2 below lists each criterion and the indicators used for country selection. The team will also consult TCI's recent assessment in nine countries of country-level satisfaction with capacity development for investment.

Table 3. Country Selection Criteria and Indicators

| Criteria | Indicator |
|---|--|
| TCI Volume of work | Total amount of TCI staff weeks Total investment supported (US\$) |
| Continuity of TCI work | No. of Projects with substantial TCI input during 2007-12 |
| Type of TCI work and potential for lesson-learning | Project-related; Upstream work, e.g., sector reviews; Capacity development; Interesting/innovative approaches |
| Presence of investment support activities carried out by other FAO technical divisions, either in cooperation with TCI or not | Investment-related TCPs, GCPs, UTFs, etc. FAO technical staff secondments to TCI |
| Examples of cooperation with different IFIs | No. of IFI's working with FAO |
| Geographical coverage and presence of FAO regional and sub-regional offices | No. of countries in each FAO Region Presence of Regional, Sub-regional office |

106. Using these criteria, and taking account of the location of key IFI headquarters as well as logistical considerations, Table 3 below presents the countries that will constitute the evaluation sample.

Table 4. Country selection per region

| East Africa | West Africa | Near East | Asia | Latin America | Eastern Europe |
|----------------------|---------------|-----------|--|---------------|----------------------|
| Ethiopia Tanzania | Ghana Togo | Tunisia | Bangladesh India Cambodia Philippines | Nicaragua | Ukraine Macedonia |

107. At least two members of the team will visit each country, for up to a week. TCI and other relevant divisions will be asked to compile an inventory of all investment support activities undertaken by FAO over the five-year review period, including all documents and reports produced. Staff members and where possible consultants engaged in this work will be contacted to seek their views on the nature of the work undertaken, the quality of engagement with national stakeholders, and the impact on investment decisions and investment financing. During country visits the evaluation teams will hold meetings with key

stakeholders from Government (ministries of agriculture, planning, finance, rural development etc), farmer organisations, academic institutions, consultants, development partners, NGOs, FAO country staff (and regional or sub-regional staff where applicable). In addition to individual meetings and semi-structured interviews the FAO country office, where possible, will be asked to convene a half-day stakeholder meeting for a structured discussion of investment support services and future priorities for FAO assistance.

3.3 Admissibility of Evidence

108. For the most part evidence will be adduced from interviews, surveys and documents. Where the evidence is statistical the standard precautions against bias will be taken. Where it is from recollection or opinion it will be subjected to the accepted process of triangulation. If evidence is cited that does not satisfy these “quality standards” then footnotes or other citations will provide appropriate clarification.

3.4 Discussion, Dissemination and Exit Workshops

109. Current evaluation practice emphasizes utilization of the analysis and findings during and after the evaluation. Evaluation methods seek to multiply opportunities for stakeholders to learn from each other and to contribute to the analysis through focus groups and discussions about findings. Formative evaluations often use prospective methods, with internal and external stakeholders, to develop results frameworks and to draw roadmaps for future implementation.

110. This evaluation will use group methods to identify priorities, to connect the evaluation with related FAO policy and strategy exercises and to build learning opportunities into the evaluation process. If time allows and if stakeholders wish to pursue prospective work on strategy maps, results frameworks and road maps, this could be a feature of the terminal phase of the evaluation.

111. If budget allows, the Evaluation will be subjected to formal peer review at in the final stages of report preparation. This review should take the form of written comments from a small panel of reviewers as well as their participation in the peer review workshop just before report finalisation.

112. Accordingly, and in order to engage as many stakeholders as possible in a participatory evaluation process there will be a one-day workshop conducted at the mid-point of the evaluation. This evaluation workshop will seek to confirm and refine findings and determine the course of subsequent enquiry. And, before the evaluation is finalized the team will hold an “exit workshop” to test the analysis, key findings and recommendations. This workshop will use a professional facilitator. Twenty or so participants will be selected from the key stakeholders and experts involved in the evaluation and could also include videoconferences with regional stakeholders and partners to discuss the penultimate draft. A series of presentations to a broader audience within FAO headquarters may also be held if there is sufficient interest. The provisional timetable and objective of these workshops is presented in Table 4 below:

Table 5. Provisional timetable and objective of the workshops

| Workshop | Timing | Objective |
|-------------------|-------------------------|--|
| Mid-Term Workshop | Week of 10-14 September | Report initial findings and define further investigations |
| Exit Workshop | Week of 19-23 November | Present <u>draft</u> final findings, recommendations and action plan |

113. Once the report is finalized, dissemination of the report will be wide. This process will include a video report for the internet and there may be experiments with other social media. A two-page summary

of the key findings, key messages and recommendations will be made available to all member countries prior to the report being presented to the Programme Committee.⁷⁹

⁷⁹ This technique has proven popular in the World Bank with senior management and member country capitals as it allows them to understand the salient features of the evaluation report at a time when they still have opportunities to influence it.

4. Evaluation Outputs and Work Plan

4.1 Outputs of the Evaluation

114. The main output of the evaluation will be the final report to be delivered to FAO Management for comment by early December 2012, and then delivered together with the Management Response to the FAO Programme Committee in March 2013.

115. This evaluation is a strategic exercise, proposing to use a careful analysis of past experience to assist FAO in better defining its future strategy with regard to investment support. The report will therefore be a concise document, not exceeding 30-35 pages that summarizes the analytical conclusions of the evaluation team, presents their findings and offers a small number of strategic, implementable recommendations. The recommendations will be designed to define the major directions of FAO's future global role and work in support of investment.

116. The more detailed analytical information produced by the evaluation will be contained in annexes. Interim outputs of the evaluation will include an initial Concept Note, this Inception Report, survey reports and the presentations and workshops to be held at various stages of the evaluation.

4.2 Timetable for the Evaluation

117. Table 5 below presents the provisional timetable of the evaluation:

Table 6. Provisional timetable of the evaluation

| | |
|---------------------------------------|---|
| Feb-April 2012 | <ul style="list-style-type: none"> • Identification and selection of evaluation team • Evaluation Research Assistant gathers and analyses background information and documentation, prepares information notes and syntheses |
| April 2012 | <ul style="list-style-type: none"> • Team in Rome for one week for initial discussions, interviews, document review, and planning |
| May 2012 | <ul style="list-style-type: none"> • Preparation of Inception Report |
| Early June 2012 | <ul style="list-style-type: none"> • Inception Report circulated for comment |
| Mid-June 2012 | <ul style="list-style-type: none"> • Team gathers in Rome – evaluation planning and HQ and IFAD interviews |
| June 2012 | <ul style="list-style-type: none"> • Team field visits to London (EBRD) and Tunis (AfDB/SRO) • Preparation of questionnaire(s) by team and implementation of survey of member countries by management team in Rome |
| July-August 2012 | <ul style="list-style-type: none"> • Country visits (11-12 countries) and visits to IFIs and donors in Europe and North America |
| September 2012 | <ul style="list-style-type: none"> • 10 day meeting of the full team in Rome to wrap up the information gathering phase and plan report writing |
| September-October 2012 | <ul style="list-style-type: none"> • Preparation of draft evaluation report (4-5 weeks) |
| End-October 2012 | <ul style="list-style-type: none"> • Circulation of Draft Report for comments from FAO stakeholders – comments received and consolidated by mid-October. |
| 2 nd half of November 2012 | <ul style="list-style-type: none"> • Team in Rome for discussion of comments • Possible gathering of small peer review group (max. 3 members) to provide input • Meeting/workshop of FAO stakeholders to provide feedback on comments and discuss how they will be considered; • Team Leader stays on for 1 week to incorporate comments (with possible follow-up meetings with commenters) |
| Early December 2012 | <ul style="list-style-type: none"> • Final Report delivered |
| by mid-January 2013 | <ul style="list-style-type: none"> • FAO Management Response prepared |
| March 2013 | <ul style="list-style-type: none"> • Discussion of the final report and management response at the Spring session of the FAO Programme Committee |

Annex 1 – Selection criteria for case study countries

- TCI Volume of work is considered: “**High**” if > regional average +50%; “**Low**” if < regional average - 50%; “**Average**” if between the two
- PP: Project Preparation; CD: Capacity Development; SR: Sector Review
- The “staff weeks” do not take into account Regional/Sub-Regional Office staff secondments

| Region | Country Code | TCI Volume of work (staff weeks) | Type of work | Coop. with Technical Divisions (% of total staff weeks seconded) | Coop. with IFIs and FAO | FAOR | Comments |
|------------------------|--------------|----------------------------------|--------------|--|---|------|--|
| <i>West – Africa</i> | GHANA | 328 high | PP, SR | FIPI, FOM, LEG, RAF, TCO 4.3% | WB, AfDB, GAFSP (partial) | Yes | FAO major Support to CAADP Regional Office for Africa Sub-Regional Office for West Africa |
| | TOGO | 199 average | PP, CD | AGPM, ESS, SFW | GAFSP, IFAD, WB, GEF, BOAD, BIDC, FAO-TCP | Yes | Cooperation between TCI and Sub-Reg. Office Investment Officer; FAO major Support to CAADP |
| <i>East Africa</i> | ETHIOPIA | 348 high | PP, CD, SR | ESA 2.5% | WB, IFAD, JICA, AfDB | Yes | FAO major Support to CAADP Sub-Regional Office for East Africa |
| | TANZANIA | 286 high | PP | TCS, AGS, LEG 5.1% | WB, IFAD, AfDB, GEF, GAFSP (partial), | Yes | IFAD Country team hosted by FAOR FAO major Support to CAADP |
| <i>E. Europe</i> | UKRAINE | 232 high | SR, CD, SR | EST, NRC, NRL 6.2% | EBRD | No | Supporting Public-Private Policy Dialogue in Grain and Sunflower Oil Sectors; Support to Dairy Farmers in Northern Ukraine; Pre-Harvest Farm Financing Legislation |
| | MACEDONIA | 152 average | CD, SR, PP | NRLA, NRC 0% | WB, EBRD | No | TCI work with NRC on Cadastre and land registration, CD with EBRD on GI, Climate change |
| <i>Asia</i> | BANGLADESH | 474 high | PP, CD, SR | 0% | WB, GAFSP, IFAD, IFPRI, GEF | Yes | GAFSP - IAPP Technical Assistance Component and Country Investment Plan for Agriculture, Food Security & Nutrition |
| | Bangkok | | | | | | Regional Office for Asia |
| | PHILIPINES | 373 average | PP, SR, CD | ESA, NRL 1.2% | WB, IFAD, EU | Yes | Asian Development Bank HQ |
| | CAMBODIA | 246 average | PP, CD, SR | NRC 0% | WB, IFAD, GEF, TCP, RAP | Yes | Limited work with WB and range of work with other partners. |
| <i>Central America</i> | NICARAGUA | 101 average | PP, SR | FIRO, ESA, FII, FIP 13.1% | WB, TCP, GEF | Yes | Substantial range of activities with WB in forestry, fishery, land management and public expenditure review. |
| <i>Near East</i> | TUNISIA | 284 high | PP, SR, CD | ESS, TCO 2.6% | WB | Yes | African Development Bank HQ Sub-Regional Office for North Africa |

Annex 7

Composition of the Evaluation Team

Team leader

Mr Roger Slade (United Kingdom) is an economist and a senior evaluator. He has held progressively senior management positions in research, policy, operations and evaluation in the World Bank and has extensive recent thematic and institutional evaluation experience with IFAD, IFPRI, African Development Bank and others.

Independent Team Members

Mr Younes Bouarfa (Algeria) was Director of Operations in IFAD, and before that was economic advisor to the Prime Minister of Algeria. He was also team leader of the 2010 evaluation of the FAO Near East decentralised structure.

Mr Christopher Gibbs (United Kingdom) is a rural development specialist also with past experience as senior evaluator at the World Bank. For the past several years he has been working with major International NGOs, in particular the Aga Khan Foundation.

Ms Elizabeth McAllister (Canada) is a past Director General in CIDA (Canada), World Bank Director in various capacities including evaluation, and chair of the International Panel for the 2008 Independent Review of the CGIAR. She has recently been providing FAO senior management with support in the implementation of results-based management.

Mr David Young (Australia) is an independent consultant in agricultural economics, marketing and rural development. He has worked in Asia-Pacific, Africa, Europe and Latin America in an international consulting career spanning more than three decades. He became an independent consultant in 2000 after a career with a multi-national consulting company in Europe and Australia. His clients include corporations, international financial institutions, banks, parastatals and governments.

Team Members from the FAO Office of Evaluation

Mr. Daniel Shallon, Evaluation Manager, is a rural sociologist and a senior evaluator who has been with the FAO Office of Evaluation (OED) for over twelve years and has managed some of FAO's most complex corporate evaluations. He has lived in Asia and the Near East for extended periods, and his career includes work in gender and rural development, community forestry and natural resource management, as well as work in evaluation with IFAD.

Ms. Luisa Belli, Assistant Manager, is a tropical agronomist with specialization in rural sociology, who has worked for NGOs as programme officer for Asia, in project management in

Cuba and West-Africa and was assigned as APO to FAO Haiti, before joining OED in 2005. Since then, she has participated in country, thematic, strategic, impact and project evaluations, in various capacities including managerial tasks and technical sector assessments.

Ms. Aude Carro, Evaluation Analyst, is an agricultural economist by training, and worked in 2009 with the FAO Investment Centre on integration of climate change into investment in Brazil and milk supply chains in Ukraine. Before joining this evaluation, she worked on two projects at the intersection of agricultural development and natural resource management in Vietnam with IRD, and in Madagascar in CIRAD.

Annex 8

List of Institutions and Persons Met⁸⁰

(DRAFT TO BE COMPLETED)

Government

TUNISIA

Ministry of Agriculture
Ministry of Planning and Development
Ministry of Investment and of International Cooperation

NICARAGUA

Ministry of Agriculture, Livestock and Forestry (Ministerio Agropecuario y Forestal)
Ministry of Finance (Ministerio de Hacienda y Credito Público)
National Forestry Institute
National Fisheries Institute

ETHIOPIA

Ministry of Agriculture, Ethiopia
Agricultural Task Force, ATA – Ethiopia

MACEDONIA

Ministry of Agriculture, Forestry and Water - Macedonia

TANZANIA

Ministry of Agriculture, Tanzania
Ministry of Policy and Planning, Tanzania
Prime Minister Office, Tanzania
Agriculture Council, Tanzania

UKRAINE

Department of Agricultural and Environmental Statistics, State Statistics Service, Ukraine
Ministry of Agricultural Policy and Food, Ukraine
Department of Economic Development and Agricultural Markets, Ministry of Agricultural Policy and Food, Ukraine

BANGLADESH

Department of Fisheries, Bangladesh
Ministry of Agriculture, Bangladesh
Food Division, Ministry of Food and Disaster Management, Bangladesh

⁸⁰ In line with recent practice, in order to preserve the anonymity guaranteed to interviewees in institutions met during field visits, only the institutions are listed, not the names of individuals.

Ministry of Finance, Bangladesh
Ministry of Fisheries and Livestock, Bangladesh
Embassy of the Kingdom of the Netherlands, Bangladesh

CAMBODIA

Department of Animal Health and Production, Cambodia
Council for Agricultural and Rural Development, Cambodia
General Directorate of Agriculture, Cambodia
Department of Planning and Statistics, Cambodia

GHANA

Ministry of Food and Agriculture, Ghana

INDIA

Ministry of Agriculture, India
Ministry of Rural Development, India
Department of Rural Development, Andhra Pradesh, India

PHILIPPINES

Department of Agrarian Reform, Philippines
Embassy of New Zealand, Philippines

International Financial Institutions and other Development Partners

European Bank for Reconstruction and Development (EBRD) Headquarters, London
UK Department for International Development (DfID) Headquarters, London
Department for Environment, Food and Rural Affairs (DEFRA), London,
Overseas Development Institute (ODI), London

World Bank Headquarters, Washington (extensive meetings)
United States Agency for International Development (USAID) Headquarters, Washington
International Food Policy Research Institute (IFPRI) Headquarters, Washington
Inter-American Development Bank (IADB) Headquarters, Washington

International Fund for Agriculture Development (IFAD) Headquarters, Rome (extensive meetings)

African Development Bank (AfDB) Headquarters, Tunisia
IFAD, Tunisia
European Union (EU), Tunisia

World Bank, Macedonia
EBRD, Macedonia

IFAD, Ethiopia
Inter-Governmental Authority on Development (IGAD), Ethiopia

United Nations Development Programme (UNDP), Ethiopia

World Bank, Tanzania

EU, Tanzania

USAID, Tanzania

EBRD, Ukraine

IFAD, Bangladesh

EU, Bangladesh

USAID, Bangladesh

Danish International Development Agency (DANIDA), Bangladesh

IFAD, Cambodia

AsDB, Cambodia

Australian Government Overseas Aid Program (AusAID), Cambodia

AfDB, Ghana

IFAD, Ghana

USAID, Ghana

German Association for International Cooperation (GIZ), Ghana

UNDP, Ghana

World Bank, Ghana

Asian Development Bank (AsDB), India

World Bank, India

International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), India

IADB, Nicaragua

IFAD, Nicaragua

USAID, Nicaragua

WFP, Nicaragua

World Bank, Nicaragua

AsDB Headquarters, Philippines

Japanese International Cooperation Agency (JICA), Philippines

IFAD, Philippines

World Bank, Philippines

NGOs and National Development, Financial and Research Institutions –

UTAP – Tunisian Union of Agriculture and Fishery

ODESYANO, Office de Développement Sylvo-Pastoral du Nord-Ouest, Tunisia

Agricultural Marketing and Rural Development (Fagricom), Macedonia

UNAG – Union Nacional de Agricultores y Ganadores de Nicaragua

Agriculture Research Institute - Tanzania

Ukrainian Grain Association, Ukraine

Ukrainian Agrarian Confederation, Ukraine

Agrarian Markets Development Institute, Ukraine

Sumy National Agricultural University (SNAU), Ukraine

Bangladesh Agricultural Research Council, Bangladesh

Bangladesh Institute of Development Studies, Bangladesh

Society for Elimination of Rural Poverty, India

National Bank for Agriculture and Rural Development, India

Private Sector

Skovin Winery, - Macedonia

Chamber of Commerce, Macedonia

Soufflet Agriculture, Ukraine

Ukragroconsult, Ukraine

UPANIC – Unión de Productores Agropecuarios de Nicaragua (private sector association)

PRONicaragua - Nicaragua Investment Promotion Agency

Metropolitan Chamber of Commerce and Industry, Bangladesh

Federation of Indian Chambers of Commerce and Industry, India

In Rome for the October 2012 meeting of the Committee on World Food Security (CFS):

International Agri-Food Network (IFAN)

International Fertiliser Industry Association (IFA)

Crop Life International

Grain and Feed Trade Association (GAFTA)

Cargill (also interviewed in UK)

Mars

Unilever

Danone

Netafim (irrigation)

Persons met in FAO Decentralised Offices

Maria Helena Semedo (ADG-RAF)

Musa Mbenga (RAF)
Cheikh Ly (RAF)
Koffi Annegbeto (RAF)
John Moehl (RAF)
Maria Jose Zimmermann (RAF)
Abisola Azaka (RAF)
Ntwali Muderwha (RAF)
Brahim Kebe (RAF)
Mohamed Bendelt (RAF)
Sylvana Ntaryamira (RAF)
Giorgio Nicolo (RAF)
Athifa Ali (RAF)
Ada Ndeso-Atanga (RAF)
Stephanie Gallat (RAF)
Jean Boroto (RAF)
Aruna Gujral (RAF)
James Tefft (RAF)
Kwami Nyarko (RAF)
Alain Onibon (RAF)

Fernanda Guerrieri (ADG-REU)
David Sedik (REUT)

Mohammed Achouri (RNE)

Benoit Horemans (SRC-SNE)
Ahmed Bougacha (SNE)
Szilvia Lehel (SNE)
Bruno Minjauw (SNE)
Camille Roux (SNE)
Cherif Touileb (SNE)

Mario Castejón (SLC)

Hiroyuki Konuma (ADG-RAP)
Man Ho So (RAP)
Daniele Salvini (RAP)
Adnan Qureshi (RAP)
Ramesh Sharma (RAP)
Sumiter Broca (RAP)
Thierry Facon (RAP)
Subash Dasgupta (RAP)
Miao Weimin (RAP)
Bruce Isaacson (RAP)
David Dawe (RAP)
Ben O'Brien (RAP)
Jan Hinrichs (RAP)
Vinod Ahuja (RAP)

Vili Fuavao (SAP)

Dominique Burgeon (FAOR-Bangladesh)
Ciro Fiorillo, (FAO Bangladesh)
Mahmoud Hossain, (FAO Bangladesh)
Nurun Naher (FAO Bangladesh)
Mat Yamage (FAO Bangladesh)

Rofti Alla (FAO Cambodia)
Rocco Busco(FAO Cambodia)
Seung Soy (FAO Cambodia)
Arika Nagata (FAO Cambodia)
Jeevanandhan Duraisamy (Cambodia)

Hassen Ali (FAO Ethiopia)
Pedro Gomez Fernandez (FAO Ethiopia)
George Mashinkila (FAO Ethiopia)
Workicho Jateno (FAO Ethiopia)

Sofia Tadria (FAO Ghana)
Benjamin Adjei (FAO Ghana)

Peter Kenmore (FAOR-India)
Gopi Ghosh (FAO India)

Dragan Angelowsky (FAO Macedonia)

Armando Cerrato (FAO Nicaragua)
Julio Castillo (FAO Nicaragua)
Fransen Jean (FAO Nicaragua)
Ali Jiménez (FAO Nicaragua)
Luis Mejía (FAO Nicaragua)
Leonardo Chavez (FAO Nicaragua)
Flippo Montesi (FAO Nicaragua)

Kazuyuki Tsurumi (FAOR-Philippines)
Alberto Aduna (FAO Philippines)
Genaro Castro (FAO Philippines)
Aristeo Portugal (FAO Philippines)

Persons met in FAO Headquarters

Yana Skinibetska, Alternate Permanent Representative of Ukraine
Abdul Ayazi, Permanent Representative of Afghanistan
David Lane, Permanent Representative of the United States

Gregory Groth, Alternate Permanent Representative of the United States
Franklin Moore, USAID Senior Development Counselor

Modibo Traoré (ADG-AG)
Gouantoueu Guei (AGD)
Charlotte Dufour (AGND)
Florence Egal (AGND)
Manuela Allara (AGPM)
Sandra Corsi (AGPM)
Kakoli Ghosh (AGPM)
Winfred Hammond (AGPM)
Amir Kassam (AGPM)
Francesca Mancini (AGPM)
William Settle (AGPM)
Doyle Baker (AGS)
Eva GalvezNogales (AGS)
Gavin Wall (AGS)
Vittoria Zaffarano (AGS)

Ann Tutwiler (DDG-DDK)
Jennifer Nyberg (DDK)
Mohammad NooriNaeini (DDO)
Vanessa Passafaro (DDO)

Brian Carisma (ESA)
Piero Conforti (ESA)
Benjamin Davis (ESA)
Sarah Lowder (ESA)
Guenter Hemrich (ESD)
Terri Raney (ESA)
Luca Russo (ESA)
Jakob Skoet (ESA)
Kostas Stamoulis (ESA)
Carola Fabi (ESS)
Paul NGomaKimbatsa (ESS)
Adam Prakash (ESS)
Josef Schmidhuber (ESS)
Abdolreza Abbassian (EST)
Boubaker BenBelhassen (EST)
Merritt Cluff (EST)
Aziz Elbehri (EST)
David Hallam (EST)
Suffyan Koroma (EST)
Pascal Liu (EST)
Holger Matthey (EST)
Shangnan Shui (EST)

Peter Thoenes (EST)
Eve Crowley (ESW)
Ileana Grandelis (ESW)
Ilaria Sisto (ESW)
Marcela Villarreal (ESW)
Peter Wobst (ESW)

Lahsen Ababouch (FIPX)
Nicole Franz (FIPI)
Rebecca Metzner (FIPI)
Rohana Subasinghe (FIRA)
Robert Lee (FIRO)

Eva Muller (FOE)
Marco Boscolo (FOE)
Sophie Grouwels (FOE)
Rao Matta (FOE)
Adrian Whiteman (FOE)

Stephen Rudgard (OEKC)
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Annex 9

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