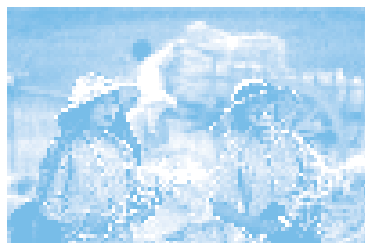
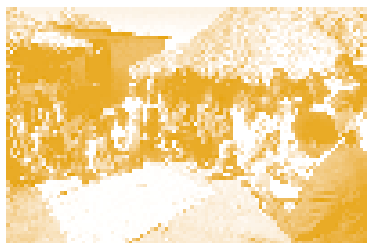


Principles and guidelines for FAO cooperation with the **Private sector**



**Food
and
Agriculture
Organization
of
the
United
Nations**

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for FAO cooperation with the
Private sector

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
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1

Purpose

FAO's long history of cooperation with the private sector – from individual farmers to global institutions and enterprises – reflects the major role that this sector has always played in all parts of the food system. With the continuing decline of official development assistance (ODA) and the expansion of private sector investment in developing countries, such cooperation is of increasing importance to FAO's overall strategy and performance.

The Director-General has outlined a policy (Annex I) to expand and intensify the Organization's cooperation with the private sector at the national, regional and international levels.

The purpose of this document is to provide staff members with a general framework for implementing the policy. As it is impossible to envisage and provide guidance for every type of partnership activity, this document is initially limited to those core principles and guidelines, with relevant annexes, that are fundamental to FAO's mandate and the expectations of its Member Governments. As the type and range of partnership activities are extended, this manual will be expanded and refined to provide guidance and support for cooperative activities that can enhance FAO's effectiveness.

Staff members are encouraged to take the initiative in developing new partnership activities with the private sector, consulting the Unit for Cooperation with Private Sector and NGOs (TCDN) where additional policy or operational advice is needed, and sharing their experiences, particularly lessons learned, with TCDN. Such experiences can then contribute to future refinements of this manual.

“The challenge of food security can only be resolved through a global partnership involving national, international, public, private and voluntary sectors. FAO, within its mandate, is prepared to offer leadership in the field of food and agriculture.”

FAO Director-General

2

FAO policy

The 1996 World Food Summit (WFS) recognized that the private sector will have to provide a large percentage of the financial investment – particularly by farmers at the household level – as well as the new technologies and management systems required to meet food security goals at the national and international levels and in all sectors of the food system.

It is FAO's policy to attract increased private sector participation in *food security and other agricultural development programmes* through partnership activities. In so doing, FAO will act as a facilitator and “honest broker” for mobilizing managerial, technological, scientific, financial and other resources through new alliances with private industry, non-governmental organizations (NGOs), foundations and other civil society actors.

Staff are encouraged to develop partnership initiatives at both the conceptual and operational levels. Particularly important are specific cooperative activities, with concrete objectives, at the interface between public and private sectors.

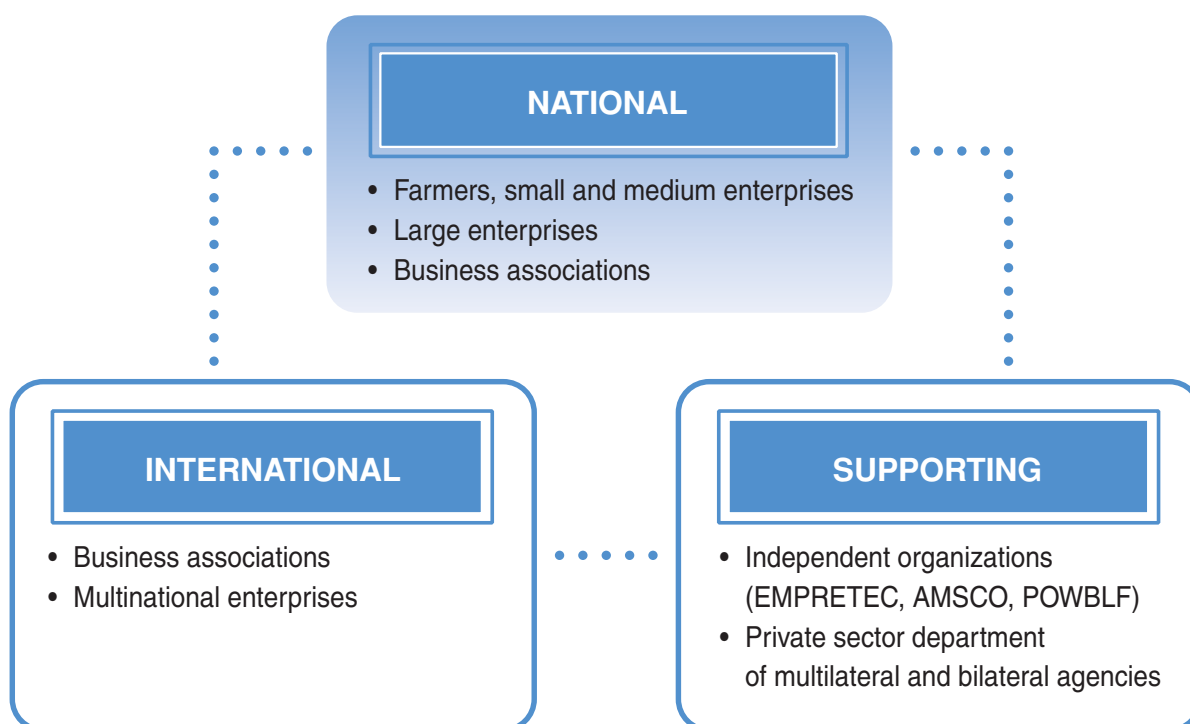
As a partner itself, FAO may agree to commit resources and be involved in the design and management of cooperative activities.

The policy gives priority to action in five areas of mutual importance to all FAO departments.

2 FAO policy



Expanding FAO's dialogue with the private sector





2.1 Expanding FAO's dialogue with the private sector

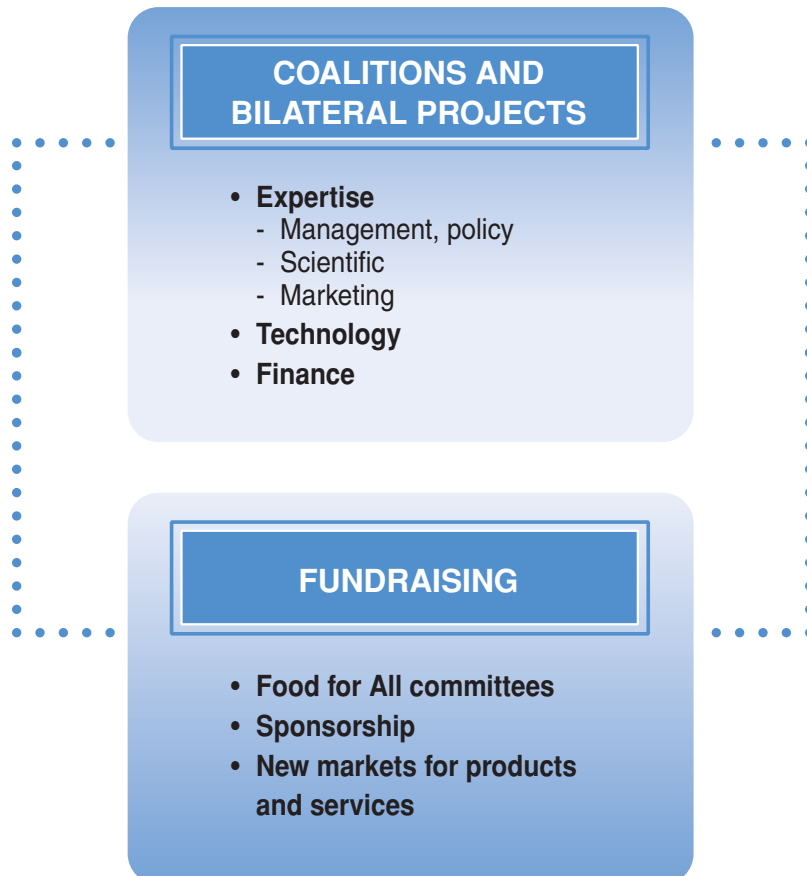
For FAO, the private sector encompasses all sectors of the *food, agriculture, forestry and fisheries systems – from production to consumption – and all sizes of enterprise* from the family farm to the global company as well as related trade, financial and other service organizations.

FAO's primary private sector constituencies are producers and related private agribusiness enterprises. Cooperation with such target groups is guided by government views and policies. However, to structure such cooperation, FAO must often collaborate with a wider range of private organizations with complementary resources and interests, including national and international business associations, multinational corporations and related independent organizations and intermediaries. The private sector departments of multilateral and bilateral development agencies and banks are important actors in this regard. Such organizations not only provide useful contacts with the private sector but may also be a source of funding and other support for FAO initiatives with the private sector.

In addition to helping strengthen the private sector in developing countries, FAO is currently expanding its dialogue with key international industry associations and networks, major corporations interested in supporting the Special Programme for Food Security (SPFS) and national private sector organizations in Italy and other developed countries.



Mobilizing private resources for FAO programmes





2.2 Mobilizing private sector resources for FAO programmes

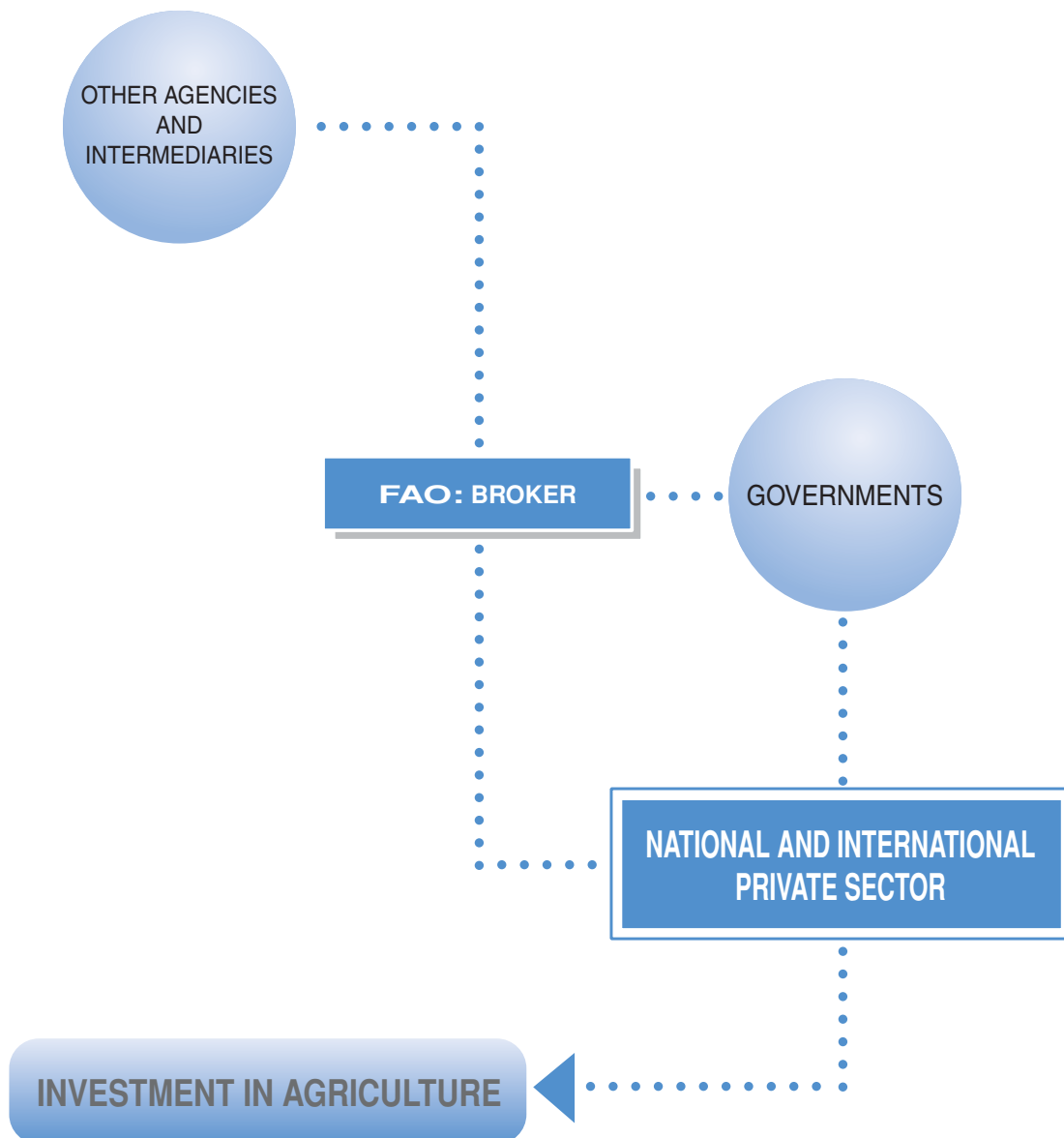
There are two aspects to this priority. One is fundraising, which includes private sector sponsorship of FAO's activities and new markets for its services and products. The other is the promotion of coalitions and bilateral projects to mobilize private managerial, technological, financial and other resources for FAO activities. Joint working groups, project identification missions and other cooperative mechanisms may be useful for planning and implementing partnership activities.

An example is the Soil Fertility Initiative, launched at the WFS with the involvement of the fertilizer industry. Other such cooperative efforts are illustrated in the FAO brochure *FAO and the private sector*.

2 FAO policy



Increasing private investment in agriculture





2.3 Increasing private investment in agriculture

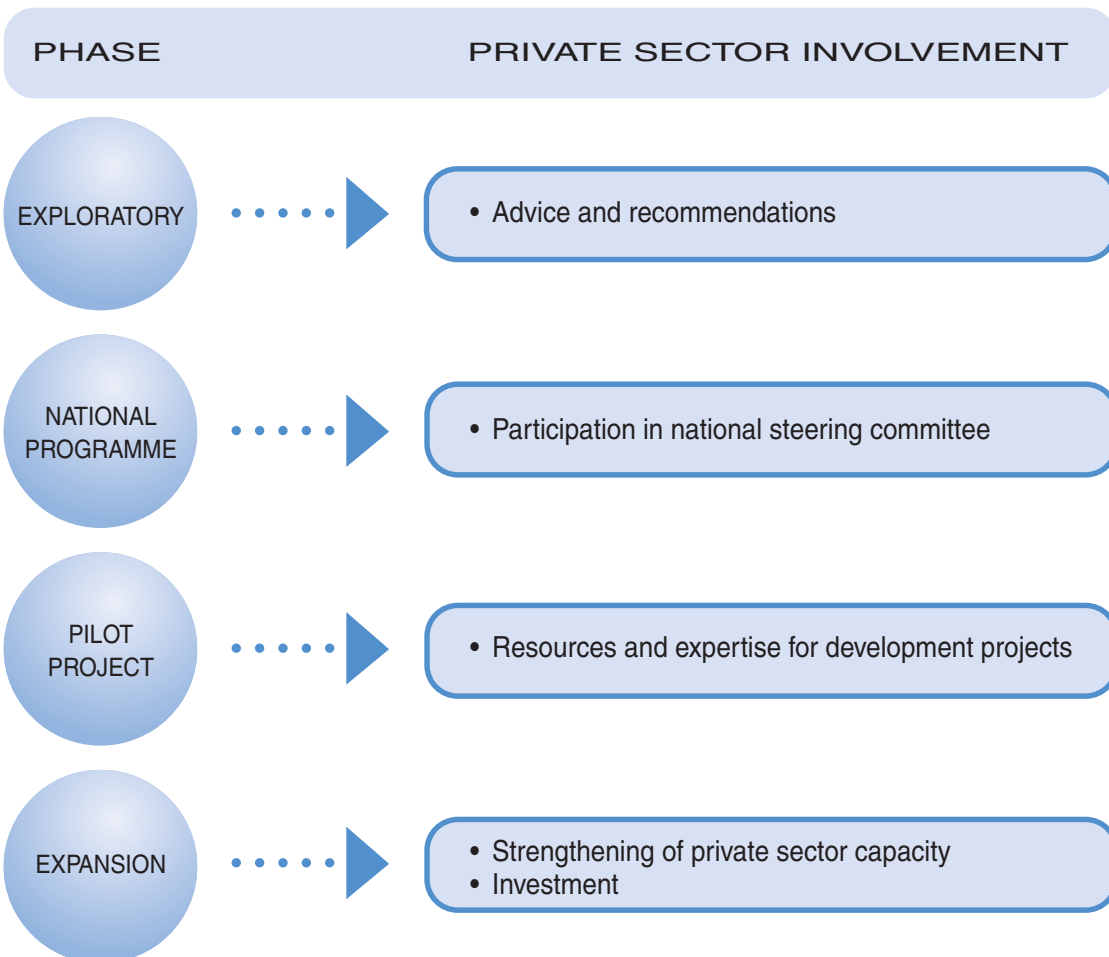
FAO's role as broker in facilitating investment in agriculture becomes increasingly important as agricultural development moves from public to private sector management. FAO can advise governments on how to create an attractive policy environment for private investment; assist government investment that supports private investment; help strengthen local private sector capacity; and facilitate partnerships that attract external private resources.

FAO's role has been strengthened by decisions to use Technical Cooperation Programme (TCP) funds for private sector development and to extend the Investment Centre Division's (TCI) activities to include private banks.



Developing national private sector capabilities

SPECIAL PROGRAMME FOR FOOD SECURITY





2.4 Developing national private sector capabilities

Agricultural development is increasingly becoming a responsibility of the national private sector at all levels, from individual producers to agribusiness enterprises. FAO studies for the WFS showed that the greatest portion of the new investment required to meet food security goals must come from the private sector. In many cases, the new technology and management systems required will also be developed by the private sector.

FAO is responding to this trend by assisting government privatization programmes; by facilitating public/private sector partnerships and by helping to build national private sector capacity in key areas.

A good example is the role that the private sector is expected to play in the SPFS, which is a top priority for FAO/private sector cooperation. There are opportunities for the private sector to be involved in each phase of a national SPFS initiative. In the exploratory and national programme preparation phases, private involvement in national steering committees should be facilitated in accordance with government views. Private expertise and other resources may also be important for the pilot phase. In the expansion phase, private investment will be critical in extending the technical packages and in supporting expanded production and new employment opportunities.

SPFS national programmes provide focal points to help strengthen agribusiness input and output systems, particularly where privatization of such functions is under way. FAO can also support management training and enterprise development in cooperation with bilateral and multilateral institutions and specialized intermediaries.

The brochure *FAO and the private sector* illustrates partnership initiatives in developing countries involving a wide range of FAO departments and offices.



Creating a facilitating framework within FAO

STRATEGIC APPROACH

COMMUNICATION

SHARING OF INFORMATION
AND EXPERIENCE

CLEAR AND CONSISTENT
PRACTICE



2.5 Creating a facilitating framework within FAO

“The challenges to FAO in the twenty-first century cannot be met by ‘business as usual’,” the Director-General said in his policy statement (Annex I). “To succeed, we will need to be bold, innovative and rigorously results-oriented.” This will require adherence to a strategic approach; better internal communication and information sharing; clear, well-targeted marketing efforts and a consistent performance in partnership initiatives.

The development of such a corporate culture is addressed in the Organization’s overall strategic framework. While cooperation with the private sector will continue to be an objective of all FAO departments, the Unit for Cooperation with Private Sector and NGOs (TCDN) was created to serve as an FAO focal point to facilitate this cooperation and promote a consistent approach across the Organization.

3

The concept of partnership

Partnership activities are important vehicles for addressing development objectives, particularly in situations where joint action will be more effective than individual initiatives. Partnerships may involve two or more organizations drawn from a wide range of actors, including public and private sector organizations, NGOs, foundations and others who agree to share the responsibilities, risks and resources required to achieve shared objectives and benefits. Such cooperative activities are planned and implemented with the concurrence, if not the active involvement, of the government(s) involved.

In implementing this concept, staff should recognize that:

Effective partnerships are based on partners' mutual interests and utilize their complementary resources and organizational strengths.

The dynamics of cooperation in partnerships must take into account the partners' basic needs and functions. For example:

Governments determine the overall economic framework for private sector investment and operations. This includes the enabling policy and regulatory environments for savings, capital formation and private investment. Governments also invest financial resources in infrastructure and services that support private sector development. Governments' views differ on the role of the private sector in national policy development, and FAO has considerable experience in facilitating public/private sector dialogue on such policy issues. At the international level, representative private sector NGOs and other organizations participate in meetings of FAO statutory bodies and in the



increasing number of special forums managed by FAO to address specific development issues.

The private sector responds to market demand and profit potential. In fact, public/private sector partnerships often emerge from situations where development needs can be translated into market opportunities within the context of national objectives and policies.

The most important private sector resources for partnerships are managerial, technological, scientific and communications expertise; market access; investment finance; and project funding.

The types of private sector organization (for-profit and not-for-profit) that are potential partners with FAO include:

- international industry (or sector) associations that have official relations with FAO;
- other representative business organizations at the national, regional or international levels;
- special purpose coalitions and consortia;
- individual enterprises;
- financing institutions;
- intermediary organizations of private or mixed ownership;
- foundations and research institutes.

FAO is responsible to its Member Governments for Regular Programme and other activities approved by its governing bodies. These bodies have endorsed FAO's expanded cooperation with the private sector.

FAO's competence as an honest broker in helping to organize and manage partnerships is enhanced by its:

- credibility with Member Governments, particularly as an objective adviser;

1 The concept of partnership

- reputation as a “centre of excellence” in agricultural development, including highly respected global information and early warning systems that draw on decades of normative and technical assistance programmes;
- access to a wide range of public and private development organizations;
- capability for investment project development, including the unique resources of the Investment Centre Division (TCI) and TCP;
- capability to assist governments in creating the policy, institutional, legal and investment frameworks to support the emergence and growth of their national private sector; and
- ability to create and manage forums for public/private dialogue on key development issues, and to facilitate new agreements and other instruments to help guide and regulate cooperation, often in new and sensitive areas.

4

Partnership principles

FAO's partnerships with the private sector adhere to set principles. These are drawn from legal, ethical and operational criteria that an NGO must fulfil in order to have official status with the Organization, as well as from other UN system approaches to partnership with civil society and private sector organizations. Defining mutual interests with private sector partners may require careful assessment to assure that any commercial benefits derived are consistent with these principles, which are as follows:

4.1 Conformity with FAO's mandate and work programme

Partnership activities must be consistent with FAO's mandate and enhance the effectiveness of its work programme.

FAO will not enter into partnership with organizations or enterprises whose products, programmes or methods of operation are judged by the Organization to be unethical or otherwise antithetical to its mandate; or into partnerships that might in any way undermine the Organization's credibility with Member Governments as a steward of public trust and funds.

4.2 Mutual interests and objectives

Partnership activities will be focused in areas and on subjects of mutual interest to FAO and the partner organization. The potential contribution to achieving food security or other FAO objectives will be explicit in the design of any partnership activity.

Partnership agreements will stipulate that such agreements do not imply any right to provide special access to the decision-making machinery of the Organization or to influence its policies or its position on scientific and technical issues.

3 Partnership principles

4.3 Transparency

FAO/private sector initiatives will be fully transparent. Information on agreed activities will be publicly available and may be reported in documents to FAO's governing bodies.

In partnership activities where business confidentiality is necessary or proprietary knowledge is a factor, exceptions to full transparency may be agreed on the basis of narrowly established criteria and explicit agreements.

4.4 Accountability

Partnership activities will be designed and implemented in a manner that ensures clear and agreed responsibilities and accountability by all partners.

4.5 Endorsement

While the identity of partners should always be apparent, no partnership activity may be construed as an FAO endorsement of any product or service of a private sector partner (see Annex III).

4.6 Sustainability

Partnership activities should be planned to promote sustainability (economic, environmental and social) and to make optimum use of the partners' resources.

A mutually agreed process for the monitoring and evaluation of partnership projects should normally be built into the project design.

4.7 Scientific credibility

Partnership activities should be defensible in terms of objective scientific judgement.



4.8 Intellectual property

There will be consultation and prior agreement between FAO and private sector partners regarding activities that could generate material subject to copyright, patent or other intellectual property jurisdiction.

4.9 Partnership protocols

FAO will require specific protocols or memorandums of understanding incorporating the above and other principles in certain partnership initiatives, including those involving individual enterprises or organizations that do not have official relations with the Organization.

4.10 Non-exclusivity

FAO will not enter into an agreement with one or more partners if it excludes the right to negotiate a similar arrangement with other partners.



Annex I

Director General's statement

FAO Director-General outlines policy of expanded cooperation with the private sector to meet food security goals

4 November 1996

FAO Director-General, Mr Jacques Diouf, met recently with representatives of major international industry associations.

Mr Diouf told the industry representatives that the challenge of world food security – including 800 million people who do not have such security – could only be resolved through a global partnership involving national, international, public, private and voluntary sectors. FAO, within its mandate, is prepared to provide leadership to foster cooperation in the field of food and agriculture.

FAO studies for the November 1996 World Food Summit clearly show, he stressed, that a great percentage of the investment as well as a large part of the new technology and farming and management systems needed to achieve global food security in the twenty-first century would have to come from the private sector.

“To facilitate such partnerships,” the Director-General said, “we have initiated a new policy to expand and intensify FAO’s cooperation with the private sector at the national, regional and international levels. The Organization has a long history of cooperation with the private sector – with its ups and downs – to build on.”

“One of my early decisions was to establish a new Unit for Cooperation with Private Sector and NGOs. This office provides a focal point in FAO for policy relations with the private sector, and a vehicle for promoting and coordinating FAO’s overall cooperation with all sectors of civil society. A



consultative process with key private sector organizations is now under way to help develop strategies and operating guidelines for cooperation in the Summit follow-up.”

The Director-General indicated that this cooperation was being initiated in various ways. He himself was meeting with private sector groups during his travels and he has recently made statements to meetings of the International Federation of Agricultural Producers (IFAP) and the International Fertilizer Industry Association (IFA).

At the national level, the FAO country representatives are also interfacing with private sector groups. The Food for All Campaign, which will be launched to help implement the Summit goals, will depend greatly on the active involvement of the private sector.

Private sector will be key partner in Summit follow-up

The Director-General pointed out that, at the World Food Summit, Heads of State and Government would reaffirm their dedication to alleviating hunger and malnutrition by agreeing to a policy statement and world plan of action for food security. The plan of action is expected to indicate the importance of the private sector in achieving Summit goals, and encourage governments to provide enabling policy and administrative environments for private investment and complementary infrastructure investments.

Mr Diouf was pleased that the private sector at the national and international levels was supporting Summit preparations. He noted several special initiatives by associations present, including a seminar that the food industry would sponsor during the Summit period.

It was important now to begin planning for the Summit follow-up, the Director-General stressed. With possibly 3 billion more people to feed after the turn of the century, and dwindling natural resources, the world must produce more food and produce it more efficiently.

“We must invest in both knowledge and infrastructure,” he said. “This must be done with the private sector, and it will require national economic, legal and administrative environments to encourage such investments.”

An additional \$31 billion in investments per year will be required to meet food security needs, the Director-General stated. The greatest portion – some \$19 billion – must come from the private sector, with \$5 billion from government sources and \$7 billion from official development finance.

Private investment will be drawn primarily from domestic savings at the household level, but other national and external private investment sources will be an essential complement that will also bring technology and management expertise.

The private sector will also play a leading role in developing and transferring the new technologies, systems and skills required to realize food security goals.

Special Programme for Food Security – a priority for FAO/private sector cooperation

The Director-General stressed the importance of FAO/private sector cooperation at both the conceptual and operational levels. As an intergovernmental organization, FAO must explore ways to facilitate partnerships at the interface between the public and private sectors. This can be pursued through specific cooperative initiatives that have concrete objectives.

“One priority for such cooperation is the Special Programme for Food Security, which I have launched to bring all of FAO’s capabilities to bear in a concerted drive for a rapid increase in productivity and food production in low-income food-deficit countries (LIFDCs) – those nations that do not produce enough food to feed their people and cannot afford to bridge the gap



with imports. The Programme focuses on those high-potential areas where large and sustainable returns can be expected quickly. It has already been established in 15 countries with a pilot phase, which will test and develop economically viable production systems, but – funds permitting – it should be progressively extended to all the 82 LIFDCs eligible to be assisted by the Special Programme.”

Here, industry's managerial expertise, technological and scientific know-how and financial resources will be particularly relevant. These resources should allow a more efficient use of water for irrigation. In some regions, much of the water is untapped and lost to the sea while, in other regions, less than 40 percent of the diverted water actually reaches the plants and is used for food production. Industry's resources should also foster an intensification of food production and productivity for crops, livestock, horticulture, aquaculture, etc.

Private sector knowledge and resources related to fertilizers, pesticides and other agrochemicals could also bring a substantial contribution to the Special Programme, especially in the framework of integrated pest management and integrated plant nutrient systems. In addition, processing and storage technologies will have a key role in the Special Programme.

Mr Diouf said he is encouraging governments to involve their national private sectors – including farmers, processors, marketers and traders – in Special Programme initiatives. In Kenya, for example, private enterprises are assuming responsibility for seed supply and produce marketing in the pilot phase.

Private sector involvement will also be crucial in implementing pilot phase results. Increased agricultural production can provide farmers with greater earnings to purchase agricultural inputs, services and consumer goods. The development of a profitable technology package will require

major new investments, not only on-farm but also in input availability and in transportation, processing and other post-production stages.

Farmers themselves will be the most important source of investment if there are profitable opportunities; but the local private sector will also be encouraged to invest in supporting input and marketing services. It is hoped that large national and regional investments in input production and processing will also be feasible.

Private sector dynamism and leadership needed for national Food for All Campaigns

A second major vehicle for Summit follow-up will be the Food for All Campaign, which will mobilize all partners to promote the fundamental concepts, issues and concerns involved in achieving universal food security.

“The Campaign will focus primarily at the national and local levels,” the Director-General remarked, “to provide sufficient safe and nutritious food for people to lead healthy lives. It will facilitate dialogue among civil society members in determining national targets, policy formulation, and the design of practical initiatives to achieve adequate, safe and nutritious food for all. This will also involve public awareness, fundraising and other activities.”

Mr Diouf pointed out that this process is already under way in Italy. He has met several times with a national private sector group and senior executives of major Italian companies to identify concrete support for follow-up activities after the Summit.

“I look to national private sectors to bring their managerial, training and communications capabilities as well as their dynamism to this critical effort in the years ahead. The scope of the campaign recognizes the organizing capacity and energy of the private sector.”



Partnership building will be important for FAO's success in the twenty-first century

“The challenges to FAO in the twenty-first century cannot be met by ‘business as usual’,” the Director-General stressed. “To succeed, we will need to be bold, innovative and rigorously results-oriented.”

“With the continuing decline in ODA for agriculture, we must expand and strengthen the Organization’s role as an honest broker for mobilizing managerial, technological, scientific, financial and other resources from new sources through new alliances with private industry, NGOs, foundations and other key non-governmental actors.”

Mr Diouf outlined FAO’s comparative advantages for such an “honest broker” role. They include the Organization’s reputation as “a centre of excellence”, its credibility with governments for providing objective advice in development planning and a wide range of technological, economic, policy and investment issues; and its ability to help attract complementary partners and resources for such initiatives.

Increasingly, FAO is also helping to develop, administer and monitor new consultative and regulatory processes that involve a wide range of governmental and non-governmental actors. The Codex Alimentarius, administered by FAO and WHO, is a classic example; it has served the mutual interests of governments, industry, NGOs and consumers for some 30 years. More recently, FAO has become the focal point for international agreements and codes of conduct in sensitive areas such as pesticide use, genetic resources and sustainable use of fishery resources.

“The quality, safety and nutritional value of food must go hand in hand with efforts to increase the production of basic commodities – and reduce their losses – in the Summit follow-up,” the Director-General added. “Here, too, the potential for partnership with the private sector is significant. We can build on many years of cooperation with the food industry and NGOs to

Annex I

tackle new challenges in areas such as food safety, biotechnology and nutrition education.”

FAO is assisting its member countries in creating the policy, institutional, legal and investment framework to support the emergence and growth of an effective private sector.

FAO has a major investment preparation capability linked to the key development financing institutions. Its Investment Centre Division (TCI) develops projects for the World Bank and regional banks and will now extend its cooperation to work more actively with regional, subregional and national banks and with other private investment institutions.

With the support of FAO technical divisions, TCI is expanding its private sector-related activities. For example, in Central and Eastern Europe, it is helping develop wholesale market companies and farmers’ marketing networks to replace the former state-operated systems. In another new approach, TCI is exploring the feasibility of an agribusiness venture capital fund and project development facility in Uttar Pradesh, India.

Other FAO units are carrying out training programmes, developing and distributing software programmes for micro-credit organizations and for agrimarkets to improve the monitoring and dissemination of agricultural trade data.

In closing his meeting with the industry representatives, Mr Diouf reiterated his intention to expand FAO’s cooperation with the private sector, and said he looked forward to discussing how to put such partnerships into operation early in the post-Summit period.

Annex II

Use of the FAO emblem and logos



1 Use of the official FAO emblem is very restricted

- 1.1** In no circumstances may use of the official FAO emblem be authorized on commercial products or services. This does not apply to commemorative items produced by or for FAO.
- 1.2** Except as above, use of the official FAO emblem may only be authorized for non-commercial purposes and on condition that: it is in the interest of the Organization and its Member Nations; FAO is involved in the activity; and FAO retains control over the activity to be carried out under its emblem.
- 1.3** FAO's control over the activity implies, for instance, that FAO must be allowed to clear publications etc. beforehand.

2 The use of specific logos is much less restricted but is subject to certain conditions

- 2.1** The use of specific logos (for example TeleFood – Food for All) is encouraged if it is clear from the context that it is the contributor who is sponsoring FAO and not the other way round. Contributors must use only the specific logo authorized, and only in connection with the promotion of FAO or a special event or initiative.
 - a) Specific logos may only be used with the prior written authorization of the Organization.
 - b) Contributors should be requested to submit in a timely manner their



- proposals for the use of a specific logo and the context in which it is to appear.
- c) The use of a specific logo should always reflect FAO's policy not to endorse any product or company. The text should follow the approved wording, for example: "[Company] fights hunger with FAO [TeleFood – Food for All logo]."
 - d) Specific logos may be included in advertisements by the contributors, subject to FAO's clearance of the advertisement text.
 - e) Special logos may appear on commercial products provided the approved wording is used, there is no other mention of FAO and the use of the logo is cleared with FAO.
 - f) Permission to use special logos on commercial products should be conditional on the receipt of a substantial contribution from the company concerned.

3 Clearances and agreements

- 3.1 Use of the official FAO emblem must be cleared by the Legal Counsel.
- 3.2 The use of specific logos must be cleared with the Assistant Director-General, General Affairs and Information Department (GID), in consultation with the Legal Counsel as appropriate.
- 3.3 Written agreements may be concluded if necessary to ensure that the rights conferred on the user of the logo or emblem are clear, if possible by a simple exchange of letters.

A photograph of a woman wearing a wide-brimmed straw hat and a checkered shirt, smiling broadly while holding a large bundle of harvested crops. The image is overlaid with a semi-transparent blue filter. A blue arrow-shaped graphic points from the top left towards the center.

Annex III

Voluntary contributions to FAO

1 Contributions may be sought and accepted from private enterprises, commercial companies or individuals

- 1.1** Financial Regulation 6.7 authorizes the Director-General to accept voluntary contributions, whether or not in cash, but if such contributions directly or indirectly involve additional financial obligations for Member Nations and Associate Members, the consent of the Conference is required.
- 1.2** The policy of the Organization is to seek and accept voluntary contributions from private enterprises, commercial companies and individuals (hereinafter referred to as “contributors”) in the furthering of the policies, aims and activities of FAO, when this can be done without jeopardizing its neutrality, independence and good name.
- 1.3** In almost all areas of its mandate, FAO is increasingly strengthening its cooperation with the private sector in order to further its objectives, and cooperation activities should be actively sought by all divisions. The present guidelines are intended to be of assistance in this respect.

2 In seeking and accepting contributions, FAO must take care to avoid situations that could cause embarrassment to the Organization

- 2.1** Contributions should not be sought or accepted from any contributor whose policies run contrary to the mandate of the Organization,



or if association with the contributor would be liable to cause embarrassment to the Organization.

- a) Association with certain potential contributors would always be liable to cause embarrassment to the Organization. These include manufacturers or distributors of products generally judged to be harmful to public health or against public morals (such as tobacco, alcohol, arms and munitions manufacturers) and companies whose methods are considered to be in violation of international law or otherwise highly questionable (for instance exploiting child labour or discriminating against women, minorities or indigenous people).
- b) The Organization should also avoid seeking donations from contributors in circumstances where such acceptance could be seen as possibly compromising the impartiality of the Organization on major policy issues (see also 3 below).

3 The Organization must always maintain its impartiality

3.1 The Organization must always maintain and be seen to maintain its impartiality and never be influenced in its policies by the acceptance of any contribution.

- a) FAO's position on scientific and technical questions must never be tainted by the suspicion that the Organization's position has been influenced by the acceptance of contributions.
- b) Special care must be taken if contributions for research and studies are offered by contributors who have a direct interest in the result of such research, that the contributions do not, and are seen not

Annex III

to, influence it. If there is any serious doubt as to the perceived appropriateness of a contribution, it should not be accepted.

3.2 Contributions by companies that have a commercial interest in an issue are not per se excluded. Indeed it is natural that contributors should seek to sponsor events that are linked to their activities. However, it should always be clear that FAO remains in control of the programme, meeting, publication or other event that is being sponsored. Such contributions may be acknowledged in an appropriate way.

3.3 Under no circumstances may a contribution be accepted if, by way of its acceptance, a contributor appears to be gaining or is led to believe he or she is gaining an inside track to the decision-making process of FAO, whether on policy or internal administrative matters, including procurement and tenders.

- a) Contributions should not normally be solicited from FAO contractors but, if offered, it must be made clear that acceptance of a contribution will not affect renewal of contracts, treatment in tenders, etc.
- b) The acceptance of major contributions should generally be avoided in circumstances where tenders are being made and the contributor is likely to be a bidder. If accepted on an exceptional basis, it must be made clear to the contributor that acceptance of the contribution will not affect any decisions relating to the tender. Any such exception must be cleared by the Office of the Director-General (ODG).



4 Contributions should be acknowledged but FAO must never appear to be endorsing a contributor or its products

4.1 A contribution should be acknowledged in an appropriate way, to show the Organization's appreciation for the financial support provided.

4.2 Contributors should be seen as supporting FAO, not the other way around. FAO may not be seen to be endorsing a contributor or its product or services.

- a) The use of terms such as “official” or “selected” should be avoided.
- b) It would further be inappropriate to authorize, for example, a food producer to use extracts from FAO publications on its commercial products, as this could be seen as an endorsement of the product. This would not preclude the company from quoting FAO as a source of information in an appropriate manner in other materials.
- c) In general, FAO should avoid arrangements with commercial companies by which a percentage of the sales price of products is paid to FAO, as this could be understood as intent to direct business to the product or company concerned. Exceptionally, such arrangements may be approved, if it is ensured that FAO could in no way be seen to be supporting a particular company or its products, for instance if the arrangement is not advertised. The foregoing does not apply to purely commemorative articles.

4.3 If a publication is funded by contributions, it is appropriate to mention the contribution in a foreword or in a similar section in the publication.

Annex III

Contributors to meetings, seminars or other events may have their contribution acknowledged in the official records of the event, including their emblem or logo in an appropriate place on the cover.

4.4 Contributors may themselves be allowed to publicize the fact that they have made a financial contribution to FAO, but the text of any such publicity must be cleared with FAO beforehand.

4.5 Potential contributors should not be lured into false expectations; it should be clearly explained to them exactly what FAO offers in return for contributions.

4.6 See Annex II, Use of the FAO emblem and logos, for related restrictions and authorization procedures.

5 Clearances, financial procedures, agreements, transparency

5.1 Before a contribution is accepted (or solicited), clearance should be obtained from the Assistant Director-General, Technical Cooperation Department, after consultations with the Legal Counsel and ODG as appropriate.

5.2 FAO's financial procedures must be followed scrupulously.

a) The Finance Division (AFF) must be notified of all contributions in order to evaluate the financial worth of contributions in kind; ensure that contributions do not entail additional financial obligations for



- Member Nations and Associate Members; and record contributions for the purposes of the financial statements of the Organization.
- b) For recording and control purposes, all goods should be received by the Administrative Services Division (AFS) at headquarters or the FAO Representations in the field, which will then issue receipts for the contributions. The Accounting and Financial Service (AFFA) maintains a complete record of all contributions received for accounting and audit purposes.
 - c) Any auctioning of contributions in kind shall be the responsibility of AFF.

5.3 Written agreements may be concluded if necessary to ensure that the rights conferred on the contributor in exchange for the contribution are clear, if possible by a simple exchange of letters, in order to avoid appearing overly bureaucratic.

5.4 In order to ensure full transparency, all contributions must appear in the financial statements of the Organization. Care should be exercised regarding substantial anonymous contributions outside the framework of public appeals such as TeleFood, as these could give rise to suspicions of hidden favours in return.

A group of men are seated under a thatched roof, possibly in a rural setting. The image is overlaid with a blue geometric graphic consisting of a large triangle pointing downwards and a horizontal line. The text 'Annex IV' is centered above the horizontal line.

Annex IV

Cosponsorship, patronage and other forms of FAO involvement in meetings and events

Cosponsorship implies FAO's active participation and its responsibility, whereas patronage is simply lending FAO's name to a cause in which FAO is not otherwise involved.

1 Cosponsorship

1.1 FAO may cosponsor¹ meetings, conferences, seminars, training courses, exhibitions and other events with its various partners, provided:

- a) the event is closely linked to FAO's mandate or activities and it would be in the Organization's interest to be associated with it in such a way;
- b) FAO has sufficient control² over the arrangements, agenda, working languages and speakers, as well as the documentation, report and other publications emanating therefrom;
- c) there is no significant risk of diplomatic or other embarrassment to the Organization following from the cosponsorship of the event.

1.2 Normally, partners in joint events are intergovernmental organizations, but they could also be individual governments, national institutions or non-governmental organizations (NGOs). Joint events with commercial companies are not excluded, but special care must be taken to design them in such a way that it is clear that FAO is not endorsing a particular company or its product and that its independence and credibility are not endangered.

¹ This term should be understood as also referring to jointly organized events.

² "Sufficient control" means that FAO's views on these matters are sought and taken into account. If there is no agreement, FAO may withdraw.



- 1.3 Prior to committing the Organization to cosponsorship of an event, the agreement in principle of the Office of the Director-General (ODG) should be sought.
- 1.4 An agreement, normally in the form of a simple exchange of letters, should be concluded with the partner, addressing the modalities for the organization of the event, including the respective responsibilities for its organization, cost-sharing arrangements and any eventual liabilities. The agreement should be cleared by the Legal Office.
- 1.5 After FAO's approval of the agenda, list of speakers and invitees and of working languages for interpretation and documentation, invitations to such events should be sent jointly by FAO and the cosponsors or by one of the cosponsors on behalf of the others.
- 1.6 Use of the FAO emblem is automatically authorized for such events and on any publications derived therefrom.

2 Patronage

- 2.1 In cases where cosponsorship is not considered appropriate or desirable, or the event does not otherwise fulfil the criteria for cosponsorship, FAO may nevertheless give its patronage to the event, provided:
 - a) it is a public event, organized by a non-commercial entity, such as intergovernmental organizations, governments or local governments

Annex IV

or NGOs, including universities, research institutions, academic or professional bodies or charities;

- b) there is no significant risk of diplomatic or other embarrassment to the Organization following from patronage of the event;
- c) the cause is worthy and in line with FAO's principles and mandate;
- d) the patronage will promote FAO's objectives and name;
- e) the patronage entails no responsibility or obligatory costs for FAO.

2.2 All requests for patronage should be submitted to ODG for a decision.

2.3 The name and emblem of the Organization may be listed by the organizers, along with other patrons if applicable. The way in which the emblem appears, including on brochures and posters, must be cleared by the Legal Office.

3 Other forms of involvement

3.1 If the conditions for cosponsorship or patronage are not fulfilled, or in cases where FAO wishes to limit its involvement, the Organization may nevertheless cooperate with organizers of events, within the area of its technical expertise, normally without expenditure of financial resources.

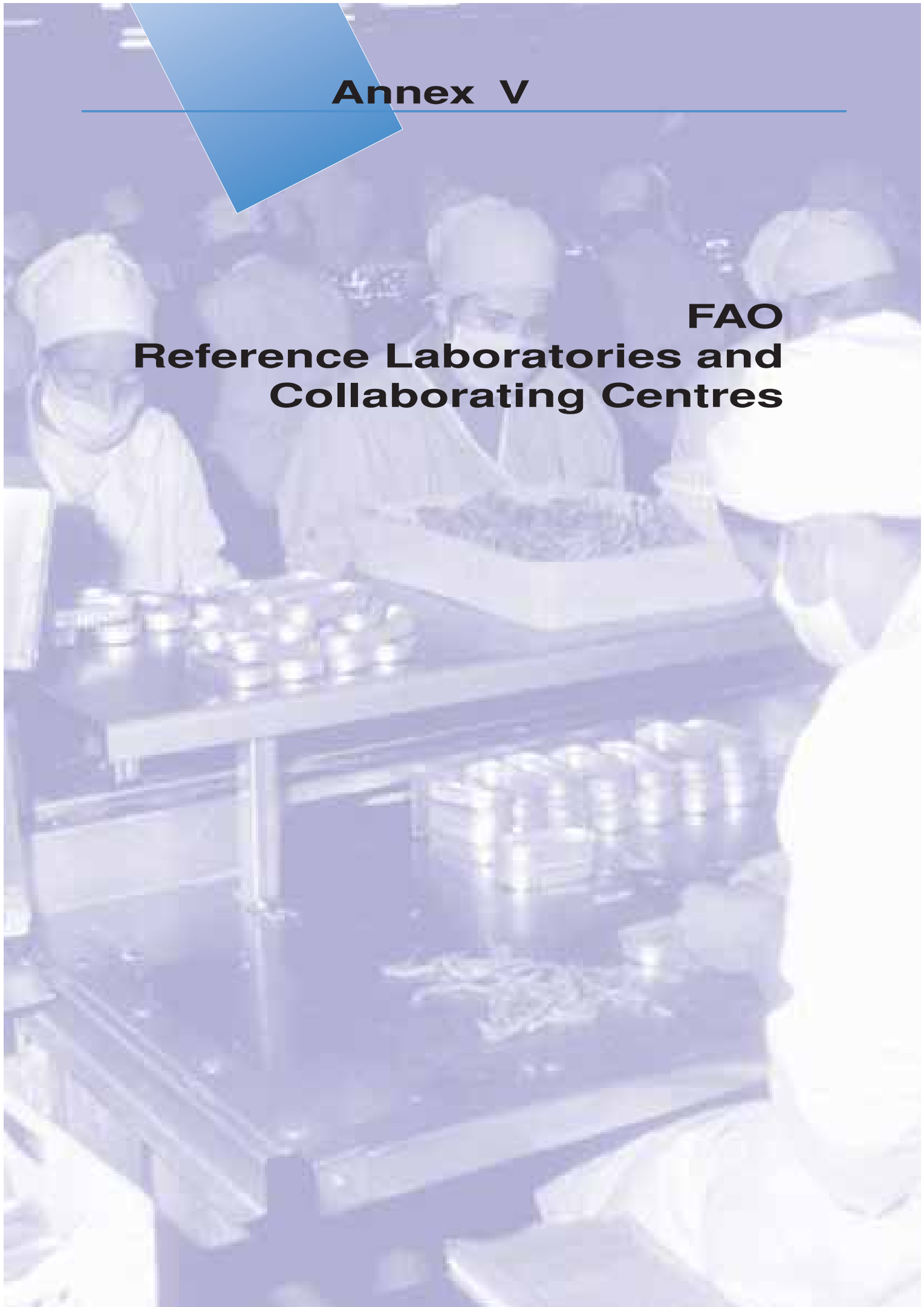
3.2 Such cooperation may be publicized in the following terms: “with the assistance of”, “with the technical assistance of”, “with the technical support of”, “with the technical participation of” or similar language. To avoid misunderstandings, use of the word “technical” is particularly advisable when cooperating with partners from the private sector.



- 3.3** The Organization may be referred to using its full name (Food and Agriculture Organization of the United Nations) or as FAO, but the official emblem may only appear in the context of an acknowledgement of FAO's contribution. The way in which the emblem appears must be cleared by the Legal Office. In certain cases, the use of specific logos (TeleFood – Food for All, etc.) may be authorized, subject to the clearance of the Assistant Director-General, General Affairs and Information Department.

Annex V

FAO Reference Laboratories and Collaborating Centres



Annex V

- 1** Over the years, as appropriate FAO has established an interinstitutional collaborative network in support of its programmes at the country, intercountry, regional, interregional and global levels. At present, more than 100 research and training institutes, laboratories and other technical entities relevant to the work of the Organization are part of the network as “FAO Reference Laboratories” and “FAO Collaborating Centres”. Their functions are the following:

 - a) FAO Reference Laboratories provide consultations; assist in making diagnoses and developing diagnostic capabilities; maintain a reference collection of disease agents; produce and standardize reagents; and assist in the characterization of causative agents and in conducting training activities.
 - b) FAO Collaborating Centres provide technical advice, expertise and consultations on designated subjects pertinent to FAO headquarters, field projects and Member Nations; and assist in the organization and implementation of training activities.

- 2** The designation of FAO Reference Laboratories and Collaborating Centres should be made through an exchange of letters. Use of the name “FAO Reference Laboratory” or “FAO Collaborating Centre” and of the FAO logo in the letterheads of the institution concerned may be authorized under the following conditions:

 - a) the name “FAO Reference Laboratory/FAO Collaborating Centre” must be used solely for correspondence relating to activities strictly connected to its functions as an FAO Reference Laboratory/FAO Collaborating Centre;



- b) the FAO logo must be closely associated with the name FAO Reference Laboratory or FAO Collaborating Centre;
- c) the FAO logo and the name FAO Reference Laboratory or FAO Collaborating Centre must appear below the official title of the institution and in print that is half the size of that used for the official title of the institution;
- d) if the language used by the institution for its letterheads is not an FAO language (i.e. Arabic, Chinese, English, French or Spanish), the name FAO Reference Laboratory or FAO Collaborating Centre should also appear in one of these languages.

3 The use of FAO's name and logo on publications, documents or any other paper should be examined on a case-by-case basis and may be authorized only if the conditions laid down in Annex II are fulfilled.



Annex VI

**FAO
project approval process
involving the private sector**

Annex VI

TCDN is the unit responsible for the negotiation of agreements and the establishment of trust fund projects with non-governmental organizations, including private sector companies and associations. It maintains a database of more than 3 500 organizations, companies and associations.

The FAO Manual describes the types of agreement that can be signed with private sector entities, the channels of communication within FAO and clearance and signature regulations. The relevant sections are:

- Agreement and Project Document, MS 250.4 (250.42 and 250.424)
- Non-Governmental Trust Funds Including Private Sector Donors, MS 250.44
- Channel of Communication, MS 250.45
- Clearance and Signature of Project Documents and other Agreements, MS 250.46
- Sample Donor Agreement, MS 250 (Appendix C)