



联合国
粮食及
农业组织

Food and Agriculture
Organization of the
United Nations

Organisation des Nations
Unies pour l'alimentation
et l'agriculture

Продовольственная и
сельскохозяйственная организация
Объединенных Наций

Organización de las
Naciones Unidas para la
Alimentación y la Agricultura

منظمة
الغذية والزراعة
للأمم المتحدة

PROGRAMME COMMITTEE

Hundred and Twenty-seventh Session

Rome, 4-8 November 2019

Evaluation of FAO's private sector partnership strategy

MANAGEMENT RESPONSE

Queries on the substantive content of the document may be addressed to:

Mr Daniel Gustafson
Deputy Director-General (Programmes)
Tel. +39 065705 6320

*This document can be accessed using the Quick Response Code on this page;
an FAO initiative to minimize its environmental impact and promote greener communications.
Other documents can be consulted at www.fao.org*
MZ849e



PC 127

Executive Summary

- Management welcomes the evaluation of FAO Strategy for Partnerships with the Private Sector, which was conducted with the following objectives: i) to examine the appropriateness of the design of the Strategy and its approaches to partnerships; ii) to assess the Strategy's implementation modalities; and iii) to report on the achievements resulting from private sector partnerships.
- Management appreciates the extensive consultation process carried out during the evaluation. The evaluation gathered valuable insights, perspectives and recommendations from FAO staff from various units of the Organization, including regional offices and country representatives, as well as from external partners. Management notes the findings of both good practices and lessons learned during the implementation of the Strategy, as well as the shortcomings perceived by the evaluation team.
- The evaluation is timely, as there have been many developments since the Strategy was approved by member countries in 2013. The Sustainable Development Goals (SDGs) with their clear call to engage the private sector in development initiatives were adopted in 2015, creating new opportunities for meaningful partnerships. In addition, the UN Reform process identifies partnerships as an essential pillar and recommends a system-wide approach to risk management. While the private sector is called globally to contribute to the SDGs, for which it has responded positively, it is also expected to behave in more responsible ways *vis-à-vis* the three dimensions of sustainability. The Committee on World Food Security (CFS) Principles for Responsible Investment in Agriculture and Food Systems (CFS-RAI), approved in 2014, provide guidance for the private sector to act responsibly. These elements open new doors to enhance the scope and impact of partnering with the private sector.
- Throughout the period under the current evaluation (2013-2019), the implementation of the Strategy effectively contributed to creating a culture of partnerships in FAO, allowing the Organization to benefit from the expertise, know-how, innovations and experience of a wide range of private sector and other non-state actors. The evaluation provides useful recommendations to update and upgrade the strategy, with the SDGs as the guiding principles, and capitalizing on the changing landscape of development cooperation in relation to the private sector in achieving the SDGs.
- FAO can help catalyse responsible and productive investment and innovation in agriculture, strengthen local agribusiness, enhance efficiencies in supply chains, and create sustainable rural employment opportunities for youth and women, among other benefits. To do so, Management will seek to further mainstream collaboration and partnerships with the private sector within the work of the Organization to support the implementation of the SDGs, recognizing that food and agriculture are key to achieving all of the SDGs. Management aims to accelerate the progress already made into this new genre of SDG mainstreaming with the private sector. Attention will also be given to streamlining and enhancing effectiveness of the internal due diligence process.

1. Management welcomes the evaluation's recommendations and plans to integrate them into the ongoing efforts of the Organization to reinforce its engagement with private sector partners. In particular, Management will seek to update the Strategy with the Private Sector, which will be guided by the following four key principles:

- a) ensure FAO's role in setting and applying policies, norms and standards is safeguarded
- b) demonstrate concrete and tangible impact for SDGs
- c) seek effective resource mobilization from the private sector
- d) ensure an open, fair and transparent process for engagement with the private sector

2. In general, Management notes the evaluation could have provided some value-added guidance through specific assessments of some of the activities and the partners, and lacks detailed comparative statistics on the effectiveness and benefits resulting from private sector engagements by other UN System agencies versus FAO. However, looking ahead, FAO will seek to enlarge its engagement with the private sector towards tackling the root causes of poverty and hunger, building a fairer society, conserving biodiversity and genetic resources for food and agriculture, maintaining ecosystems, combatting climate change, promoting healthy and sustainable food systems, while leaving no one behind.

3. Management is cognisant of the criticality of risk management in the implementation of the Strategy to safeguard FAO's neutrality, independence, credibility and reputation. Management welcomes the evaluation's recommendations to revisit the current instruments and due diligence process as critical suggestions (recommendation 3) and intends to further streamline its management of potential risks associated in partnering with the private sector, including through reorganization of the internal mechanisms and processes of the due diligence unit, while balancing them against the expected benefits, and therefore clearly protecting the area of work from any undue influence, in particular on policies, norms and standards setting function of FAO.

4. Finally, Management agrees that the revision of the instruments and procedures to mobilize resources should be the priority within the revised Strategy. As in line with the last audit recommendations, FAO seeks to update the procedures such as the DG Bulletins, revisit the partnership committee review process, propose the better financial instruments to receive private sector financial contributions, and other relevant operational instruments with an objective to simplify and streamline the partnership development process. This will be accompanied by capacity building and knowledge exchange initiatives to mainstream the updated Strategy internally across the Organization, as well as more regular strategic dialogues with the private sector partners.

5. Further information is provided in the Matrix.

Management response to the Evaluation of FAO Strategy for Partnership with the Private Sector Matrix

Evaluation Recommendation (a)	Management response (b) Accepted, partially accepted or rejected	Management plan			Date
		Actions to be taken, and/or comments about partial acceptance or rejection (c)	Responsible unit (d)	Timeframe (e)	Further funding required (Y or N) (f)
Recommendation 1: The Strategy should become a “living” document, reflecting emerging development trends and global practices, and should be updated to respond to the SDG agenda. Taking these contexts into full consideration, FAO management should first develop its long-term vision for developing partnerships with the private sector, identifying key strategic and specific thematic areas of engagement, the associated modalities of collaboration, and expected results, and present to its governing bodies the updated version of the Strategy.	Accepted	<p>FAO plans to launch the revision of the Strategy in late 2019 and to identify key strategic modalities of engagement, as well as explore new business models for FAO to engage the private sector. A revised Strategy will fully integrate the work of the Organization to support the attainment of the SDGs.</p> <p>An inter-departmental task force was recently established to investigate potential mechanisms to increase funding from the private sector, particularly for use on specific thematic areas (i.e. blue growth, food losses and waste, CFS-RAI, SDGs indicators for which FAO is custodian). The task force is also contributing to assessing FAO’s readiness for engaging in financing for development such as the GEF and GCF non-grant instruments, and blended finance.</p>	PSP (consultation with SPs, Technical Divisions, DOs, ADG-PS, PSR, LEG, CSF, CBC, CSDA, OCC etc.)	2019-2020	N
Recommendation 2: FAO should effectively manage each ongoing individual partnership, fostering effective results and collaboration in support of FAO Strategic Objectives, and aiming at further expanding successful partnerships and scaling up and replicating best initiatives and practices.	Accepted	a) FAO will improve the management of ongoing partnerships through mutually reinforcing activities to enhance the effectiveness of the partnerships in contributing to the SDGs, <i>inter alia</i> , through enhancing, upgrading and integrating the existing partnership database;	PSP (consultation with SP, ROs, DOs and other technical units as well as OSD, OSP, CIO, etc.)	Ongoing	N

Evaluation Recommendation (a)	Management response (b) Accepted, partially accepted or rejected	Management plan			Date
		Actions to be taken, and/or comments about partial acceptance or rejection (c)	Responsible unit (d)	Timeframe (e)	Further funding required (Y or N) (f)
		<p>b) enhancing and streamlining the screening processes, as well as the work plan formulation for each partnership;</p> <p>c) strengthening technical capacities of decentralized offices to identify partnerships at country level to contribute the achievement of the Country Programming Framework (CPF).</p>			
Recommendation 3: FAO needs to ensure a better balance between upholding the organizational image, principles, and values without imposing undue rigidity in partnering with the private sector.	Accepted	<p>In line with the recent audit recommendation, FAO will update procedures, review the partnership committee modalities and institutional arrangements, develop proposals for enhanced financial and other relevant operational instruments, while continuing to apply rigorous criteria to protect the Organization against risks.</p> <p>FAO is collaborating with the RBAs and the larger UN System to develop common due diligence procedures and criteria as part of the UN Reform, including for the UN Global Compact platform.</p>	PSP, ADG-PS, PSR, LEG, CSF, CBC, CSDA, OCC, CIO etc.)	ongoing	N
Recommendation 4: FAO should practice a more proactive approach to private sector partnerships by actively identifying, mapping and reaching out to potential partners with clear messages and value proposition.	Accepted	A more proactive approach to engage with the private sector will be guided by FAO's priorities, as established by its Strategic Framework. Public calls for partnership will be launched to strengthen private sector contributions in key issues relevant to the Organization's mandate, such as access to innovation and new business opportunities for small holders, the promotion of sustainable	PSP in collaboration with SPs (particularly SP2 and SP4) and technical divisions, and DOs.	2019-2020	N

Evaluation Recommendation (a)	Management response (b) Accepted, partially accepted or rejected	Management plan			Date
		Actions to be taken, and/or comments about partial acceptance or rejection (c)	Responsible unit (d)	Timeframe (e)	Further funding required (Y or N) (f)
		<p>food systems, climate change adaptation, reduction of food loss and waste, IUU fishing, trade, etc.</p> <p>Direct engagement with private sector partners is envisaged in the roadmap for the Strategy revision. The revision process itself will be beneficial to identify strategic new private sector partners for the Organization. FAO plans to develop a more systematic engagement with the private sector during the Regional Conferences, equivalent to ongoing engagement with Civil Society Organizations (CSOs).</p> <p>FAO is also conducting a series of national level dialogues with SMEs with a focus on specific value chains, and with considerations of the CFS-RAI, to ensure that the different types of private sector actors have an opportunity to express their needs to FAO and to improve their alignment with the SDGs, as well as for youth and women employment and investment opportunities.</p>			
Recommendation 5: FAO should enhance its assessment and monitoring of partnerships performance, and exercise effective knowledge management to generate lessons learned that inform future improvements.	Accepted	FAO seeks to organize yearly discussions with private sector partners, potentially around specific thematic areas, so they can learn from each other's experience, identify good practices that can be replicated, work towards common goals, and when appropriate	PSP in collaboration with SPs and technical divisions, and Decentralized Offices, in	2019-2020	N

Evaluation Recommendation (a)	Management response (b) Accepted, partially accepted or rejected	Management plan			Date
		Actions to be taken, and/or comments about partial acceptance or rejection (c)	Responsible unit (d)	Timeframe (e)	Further funding required (Y or N) (f)
		<p>provide financial resources to specific areas of work in support of the SDGs. Documentation for partnerships will be enhanced and lessons learned shared across FAO's technical units and decentralized offices, as well as with private sector partners.</p> <p>FAO plans to promote peer-to-peer learning and knowledge exchanges, particularly between regional and decentralized offices. FAO seeks to deepen dialogues with other UN Agencies (particularly RBAs) on private sector partnerships, and adopt best practices where it is appropriate.</p> <p>South-South Cooperation (SSC) will be utilized to scale up successful partnerships to share experiences across the regions.</p>	close consultation with OCC, OSS, PSR, etc.		