			Food and Agriculture Organization of the United Nations	Organisation des Nations Unies pour l'alimentation et l'agriculture	Продовольствен ная и сельскохозяйств енная организация Объединенных	Organización de las Naciones Unidas para la Agricultura y la Alimentación

PROGRAMME COMMITTEE

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FAO'S EFFECTIVENESS AT COUNTRY LEVEL: A SYNTHESIS OF EVALUATIONS IN LARGE, RAPIDLY-DEVELOPING COUNTRIES (INDIA AND BRAZIL)
MANAGEMENT RESPONSE

1.   This Management Response has been prepared through a consultative process under the guidance of the Deputy Director-General (Operations) by the Policy and Programme Development Support Division (TCS) and involving concerned headquarters departments/offices and decentralized offices (FAO Representations in Brazil and India, the Office of Support to Decentralisation (OSD), the Office of Strategy, Planning and Resource Management (OSP), the Office of Knowledge Exchange, Research and Extension (OEK), the Office of Corporate Communications and External Relations (OCE), the Field Programme Coordination and Results Based Monitoring Unit (TCDM), the Legal Office (LEGA), and the Corporate Services, Human Resources and Finance Department (CS).

2.   FAO Management welcomes this synthesis of the Evaluations of the Organization's cooperation with Brazil and India. This Evaluation draws upon the lessons learnt in each country to enhance the relevance, sustainability and effectiveness of the respective countries' cooperation with FAO in the future, the issues which need to be addressed and the manner in which each country may be able to benefit from the experiences of the other. This evaluation provides a creditable attempt to identify areas of common concern and recommendations to address these.

3.   Management appreciates the Evaluation process and methodology, as well as the forward-looking approach. The Evaluation report is the result of a comprehensive consultative process which involved extensive dialogue with a wide-range of stakeholders, as well as field visits throughout India and Brazil. This process helped to arrive at a consensus on a number of key issues and to identify the lessons to be learned.

4.   In particular, Management agrees with the integrated character of the country evaluation process and the assessment of FAO's comparative advantage in each country which was a key focus of this analysis. Although the two Evaluations covered different time spans, the in-depth analysis provided is fundamental to understanding more recent features of FAO's performance in these two countries.

5.   Management fully accepts the five recommendations, but wishes to highlight that in some cases progress can already be reported, as detailed in the attached matrix. Management recognizes the need to include lessons learnt at the country level into the Guidelines for the Country Programming Framework, develop standard formats for UTF projects (with IFIs) and NEX agreements and to increase collaboration with internal and external partners and to strengthen knowledge sharing – all aspects identified as important in this synthesis Evaluation. For example, the development of country-based communication strategies for making FAO better known is being carried out by headquarters departments with the FAO Representations on specific events such as World Food Day and the 1 Billion Hungry Campaign. In addition, a number of units within FAO are working together on the standardization of agreements with selected IFIs. Management notes that the requirements of Recommendation 1.4 call for extrabudgetary funding both at headquarters and decentralized offices.

6.   Similarly, the recommendation regarding the development of a model for UTF projects and NEX agreements, FAO progress is reported. TCDM has reviewed and updated the material addressing the entire project cycle, and is currently undertaking consultations before issuing the new Field Programme Manual. This Manual will cover the identification, formulation, appraisal, approval, implementation, evaluation and closure phases of the project cycle together with a revised standard project document fully aligned to the mainstreaming of Results Based Management (RBM) in the Organization and FAO Renewal and UN Reform change processes.

7.   Although Management concurs with Recommendation 3 that FAO should develop with each International Finance Institution (IFI) a protocol for project administration, finance, audit and reporting, full standardization might not always be realistic and feasible since each IFI has its own set of rules and conditions which vary according to the source of funding and the type of assistance to be provided (whether Emergency or Technical Assistance). For example, with the World Bank there are 12 different scenarios for which agreements need to be negotiated.

8.   Management acknowledges that there is a need to review the operational modalities and clarify the roles and responsibilities, as well as lines of accountability in implementation and decision making pertaining to UTF projects and NEX agreements. As mentioned above, Management is confident that the new Field Programme Manual on the Project Cycle and the new operational modalities for NEX being developed in 2011 will address these concerns. With regard to the calculation of administrative and operations support costs, it should be noted that FAO has adopted the policy of full cost recovery in accordance with the UN General Assembly resolution 62/208 (2007 Triennial Comprehensive Policy Review principle of full cost recovery). This resolution also establishes that all other costs incurred in the delivery of activities (including technical support services) funded by voluntary contributions will be recovered.

9.   Management concurs with Recommendation 5 as in line with the Strategic Framework, decentralization actions under the IPA and the mainstreaming of RBM. All FAO Representations should be fully involved in the design and formulation of global, inter-regional and regional projects affecting their countries of accreditation. The FAO Representative has become the focal point for all activities to be implemented in the country (a Circular on responsibilities and relationships between headquarters and decentralized offices is under preparation).

10.   Management recognises that: (i) the requirements of Brazil and India with regard to their interaction with FAO are neither unique nor representative of the majority of FAO member countries; (ii) FAO needs to be able to meet the requirements of different exigencies which stem from its multifaceted membership. The response provided above and in the attached matrix aims to address the concerns raised in this Evaluation and to this end delineates specific actions which have been, or are to be taken to address these matters by the Organization.

Evaluation Recommendations	Management **Accepted**, **partially accepted** or **rejected** and COMMENT on the Recommendation	Management - Action to be taken			
		Action	**Responsible Unit**	**Timeframe**	**Further funding required (Y or N)**
1. **FAO INFORMATION SYSTEMS**					
REC 1: FAO should develop information systems and mechanisms that: 1) facilitate access to its normative products or Global Public Goods in a users' friendly manner; **2) widen the outreach of its products by including professional networks in the different sectors;** **3) create in the FAO Representations repositories of information about all that FAO does – and its products - in the country, independently from the source of funding;** **4) develop country-based communication strategies for making FAO better known for its global and local initiatives.**	**Accepted**	1.1 FAO will continue to enhance the ease of access to its normative products and public goods through wider adoption of corporate standards for its technical information systems and more effective use of a diversified range of dissemination pathways.	OEK in consultation with relevant units	Ongoing	N
		1.2 FAO will continue to develop and diversify its leadership of, and/or participation in, knowledge networks in the thematic areas of its work.	OEK in consultation with relevant units	Ongoing	N
		1.3 FAO Representations will implement existing policy to create and maintain an information resource centre for all outputs of in-country activities, and place copies of all outputs in the FAO Corporate Document Repository (CDR), which is publicly available online.	OEK in consultation with relevant units	Ongoing	N
		1.4 OCE is already working successfully with the FAO Representations on World Food Day and the 1 Billion Hungry Project at the national level.	OCE in consultation with OSD	Ongoing	Y

2. FAO COUNTRY PROGRAMMING FRAMEWORK					
REC 2: 1) FAO should ensure that experience and lessons learned are shared by the FAOR in India with FAO in Brazil and other similar countries on the CPF preparation process. This could be carried out through teleconferences, exchange of documentation, and possibly even through a study tour should resources be available. **2) TC should give specific attention to issues related to CPF preparation in large and emerging countries, drawing on lessons learned from India, in the elaboration of FAO guidelines for CPF, planned to be issued in mid-2011.**	**Accepted**	2.1 The exchange of experiences between India and Brazil will be undertaken by the FAO Representations in liaison with the Regional Offices. 2.2 A note on lessons learnt from India will be included in the Guidelines for CPF formulation which is under preparation. The FAO Representative in India is a member of the working group preparing the Guidelines. These Guidelines should become available by third quarter of 2011.	TCSP / Regional Offices RAP/ RLC and FAORs Brazil and India	Ongoing September 2011	N
3. FAO COOPERATION WITH INTERNATIONAL FINANCE INSTITUTIONS					
REC 3: FAO should develop with each International Finance Institution protocols for project administration, finance, audit and reporting, that would apply to any initiative funded by that Institution and executed or implemented by FAO.	**Accepted** The value of having standard agreements with IFIs is recognized since negotiation for each country agreement can be a lengthy process. Several such standard agreements are already in place and FAO is in the process of standardizing additional agreements with a number of IFIs. However, each IFI has its own set of priorities, as well as agreements, rules and conditions and applies different agreements depending on the source of funding and activity (whether considered an emergency or technical assistance project); the negotiations can therefore be lengthy.	3.1. The Organization has been, over the past two years, taking part in the UN Agencies' negotiations with the World Bank for the TA Agreement between UN Agencies and Recipient Countries of WB funded projects. These negotiations are still in the preliminary stages. 3.2 FAO is currently developing a Memorandum of Understanding with the Asian Development Bank with the aim of entering into a partnership to undertake joint activities within the Asia and Pacific Region. 3.3 In addition, FAO and UNESCO are presently discussing with the Inter-American Development Bank (IDB) the possibility to standardize a TA Agreement between FAO / UNESCO and recipient countries of IDB grants or loans.	TCSR in collaboration with LEGA, AUD, CSAP, CSFE, and OSP as necessary, and other relevant units	Ongoing	N

4. UTF AND NEX MODELS					
REC 4: FAO should develop a model for UTF projects and NEX agreements that should include: **i) a clear description of FAO's actual role and responsibilities, as well as lines of accountability, in implementation and decision making;** **ii) transparent calculation of administrative, operations and technical support costs that need to be fully recovered;** **iii) mechanisms for monitoring and reporting; and** **iv) basic principles and criteria for project formulation and approval ensuring that projects will be relevant to the FAO Strategic Framework, will contribute to its organizational results and that the Organization will have the capacity to provide real added value on the specific issue(s) at stake.**	**Accepted** This recommendation is supported whilst recognizing that the Organization already possesses an extended set of material on project formulation and implementation and that by mid-2011 the current procedures will be replaced by new documentation on the entire project cycle. In 2007, FAO produced a revised standard UTF Agreement (FPC 2007/03), a standard project document format (FPC 2007/02) for all FAO implemented projects which delineates the implementation modalities (including reporting (FPC 2008/01) and monitoring) and roles and responsibilities of each party (TC Procedure 2008/01 on Designation of Operational and Budget Holder Responsibilities). They also included clauses on reporting and the frequency of the financial reporting. Management notes that occasionally standard UTF agreements are not acceptable to the concerned countries or by IFIs. Each IFI has its own set of rules and conditions which vary according to the source of funding and recipient and the type of assistance to be provided (whether Emergency or Technical). Hence, new agreements are negotiated (as in the case of Brazil and Mexico) whenever the need arises. In the absence of a NEX framework, the standard UTF agreement is used. In cases where such an agreement is not applicable, new agreements are negotiated. With regard to NEX, an IDWG (chaired by TC) is currently working on the development of NEX models which take into account FAO's rules and procedures. Thus far, as one tool for NEX, a pilot of Harmonized Approach to Cash Transfer (HACT) implementation by FAO is underway.	4.1 At present, whenever the FAO country offices request assistance from headquarters to resolve any outstanding matters on UTF Agreements, the FAO units concerned work with national authorities to negotiate an Agreement for the country in question. 4.2 and 4.3 FAO is reviewing the NEX projects under implementation in India and Brazil. It is also pilot testing a NEX Agreement for a project funded by GEF (Chimborazo, Ecuador). By the end of the year, a first framework approach to FAO NEX will have been defined. This will allow the related definition of roles and responsibilities; support cost regime; monitoring and reporting mechanisms. 4.4 With regard to Recommendation 4.iv, work is on going for the Organization to replace the current procedures with updated and revised documentation on the entire project cycle which will become available around the middle of 2011 that will address the relevance of projects since the very early formulation stage.	TCDM with CSFE, LEGA, OSP, CSAP and TCSR and other relevant units	June 2011 Ongoing 2011 and 2012	N

5.	INVOLVEMENT OF FAO REPRESENTATIONS IN REGIONAL PROJECTS					
REC 5: FAO must ensure that FAO Representations in the concerned countries are fully involved in the design, formulation and implementation of regional, inter-regional and global projects, and that get reimbursed the related AOS for these services, to improve relevance, efficiency, effectiveness and sustainability of these initiatives.	**Accepted** The review and update of FAO's Project Cycle is explicitly driven and structured around relevance, efficiency, effectiveness, impact and sustainability of projects, from the identification and formulation phase, throughout the entire cycle.	(i) the Technical Departments will be reminded of the necessity to involve FAO country offices in any global, regional or inter-regional projects they may design or formulate that will concern their country. (ii) Regional and subregional offices are also made aware that the concerned FAORs should be involved in the design and formulation of any regional or subregional projects concerning their country. (iii) Guidelines will be prepared by TC in consultation with OSP and OSD on how FAO Representations can recover AOS costs during project implementation of interregional and global projects in the country.	OSD, OSP, TCDM with TCSR and other relevant units	2011/2012	N