

October 2011

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	منظمة الأغذية والزراعة للأمم المتحدة	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	Продовольствен- ная и сельскохозяйствен- ная организа- ция Объединенных Наций	Organización de las Naciones Unidas para la Alimentación y la Agricultura
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## JOINT MEETING

**Joint Meeting of the Hundred and Eighth Session of the  
Programme Committee and Hundred and Fortieth Session  
of the Finance Committee**

**Rome, 12 October 2011**

**FAO STRATEGY ON PARTNERSHIPS WITH THE PRIVATE SECTOR  
(DRAFT)**

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### *Summary*

- i. At its session of 23 March 2011, the Joint Meeting of the Programme and Finance Committees requested to review the strategy for partnerships with the private sector at its next session. Members also recommended amendments to the outline on several points including the criteria and principles for selection of private sector partners, the guiding principles, and harmonization of roles with multi-stakeholder bodies such as the Committee on World Food Security (CFS).<sup>1</sup>
- ii. In 2000, FAO issued Principles and Guidelines for Cooperation with the Private Sector. The draft FAO Strategy on Partnerships with the Private Sector builds on these principles and guidelines and takes into account Members' recommendations, as well as the results of internal consultation within FAO and the views of the Partnerships Committee chaired by the Director-General.
- iii. Subsequent to Members' review of the draft strategy document, it will be revised and subject to further discussion and review within FAO, notably with the decentralized offices to reflect regional, subregional and country concerns and priorities. In parallel, there will be consultations with private sector associations and private foundations most relevant to FAO's work and mandate, representing a range of sectors. These associations and foundations have members from the principal corporate private sector entities important to agriculture, fisheries, forests, food, nutrition and the environment. Review and consultation will continue into early 2012.
- iv. Elements of the draft strategy are already being implemented and operational, notably the due diligence process for review of prospective private sector partnerships by FAO. This process is in line with UN-wide best practices. The Partnerships with Civil Society and Private Sector Branch (OCEP) in the Office of Corporate Communications and External Relations (OCE) performs the review, which it submits for the consideration of the Sub-Committee for Review of Financial and other Agreements (SubCom-RFA) of the FAO Partnerships Committee. OCEP is implementing other activities in line with the draft strategy including development of a database, establishment of a renewed web site on private sector partnerships to share information and best practice, and fostering private sector participation in the CFS.
- v. The FAO Strategy on Partnerships with the Private Sector will be complemented by an Implementation Plan for multifaceted engagement with private sector. This will be regularly updated and complemented by in-house consultation at both headquarters and decentralized levels and with selected private sector stakeholders. A detailed plan will be developed during the finalization of the strategy.
- vi. The finalized FAO Strategy on Partnerships with the Private Sector will be submitted for further review at a session of the Joint Meeting of the Programme and Finance Committees in 2012. The subsequent FAO Council will then be able to endorse the strategy.

#### **Guidance sought from the Joint Meeting**

- The Joint Meeting may wish to acknowledge the draft FAO Strategy on Partnerships with the Private Sector and its importance to promote culture change and reform within FAO in support of informed partnerships with the private sector.
- The Joint Meeting may wish to comment on the draft strategy with a view to:
  - 1) acknowledge its importance and the desirability of engaging with the corporate private sector to support the achievement of FAO's Strategic Objectives;
  - 2) provide guidance on completion of the strategy in 2012, including consultation at decentralized level and directly with the private sector, and a plan and elements necessary for its implementation.

<sup>1</sup> CL 141/10 paras. 10-12

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**(DRAFT)**  
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## I. Introduction

1. In a world where over one billion people are deprived of adequate food, no single organization or sector can solve the problem of hunger. FAO therefore places high importance on working together in partnerships with all relevant governmental, non-governmental and private sector stakeholders at local, national, regional and international levels. By joining forces, FAO and its partners can more effectively assist efforts at all levels to eradicate chronic hunger and poverty and improve food access for the poor and vulnerable. Partnerships also make it possible to mobilize the best knowledge and capacities available and provide the most effective services in working toward common goals.

2. FAO is responding to evolving needs and new international challenges and is strengthening its approach to enhance the effectiveness of its key partnerships and external relationships. This resulted in an Organization-wide Strategy on Partnerships, adopted in 2010, which recognizes the wide range of partners relevant to FAO's work, including civil society organizations (CSOs), other United Nations agencies and programmes, the private sector and agricultural research institutions. It provides guidance to FAO units and partners and helps facilitate new or renewed partnerships. The Organization-wide Strategy contributes to the implementation of FAO's Strategic Framework 2010-2019.

3. The FAO Strategy on Partnerships with the Private Sector further elaborates on the specific sub-set of partnerships with the private sector. It builds on the FAO Principles and Guidelines for Cooperation with the Private Sector adopted in 2000, the UN framework for enhanced collaboration with the private sector, the recommendations of the Independent External Evaluation (IEE)<sup>2</sup>, and the Immediate Plan of Action for FAO Renewal adopted by the FAO Conference<sup>3</sup>. Above all, it captures FAO's broad and longstanding experience in working with the private sector as reflected in the outcome of a thorough review of its private sector partnerships.

4. The purpose of the FAO Strategy on Partnerships with the Private Sector is therefore to enhance the development of a pro-active approach to partnerships with private sector entities that effectively contribute to the fulfillment of FAO's strategic objectives, while safeguarding FAO's impartiality and neutrality. The strategy is intended to provide guidance to FAO staff at headquarters and decentralized offices for the development of effective partnerships with private sector entities.

5. The FAO Strategy on Partnerships with the Private Sector will be supplemented by:

- an Implementation Plan that provides the modalities for engagement;
- Principles and Guidelines that provide practical operational guidance;
- further tools and services, including a database on FAO partnerships with the private sector, documentation of lessons learned, staff training and a help-desk.

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<sup>2</sup> C 2007/7 A.1-Corr.1 paragraphs 857-865 and 884

<sup>3</sup> C 2008/4 paragraph 49

## UN Framework

The UN policy framework of collaboration with the private sector is based on two pillars:

- i. The *Guidelines on Cooperation between the United Nations and the Business Sector*, of which the current version was adopted in 2009 which apply to the UN secretariats and its separately administered bodies. It provides definitions and guidance for engagement with the private sector.
- ii. The guidelines cited above reflect the Ten Principles of the UN Global Compact in the areas of environment, labour, human rights and anti-corruption. It was launched in 1999 as a voluntary association that calls upon business leaders to align their corporate practices to internationally agreed goals. Members adhere to and report progress on meeting these principles based on UN global policies and share best practices.

## FAO Strategic Framework

The Strategic Framework 2010-2019 establishes the Goals and Strategic Objectives of Members to achieve through FAO a world free from hunger and malnutrition. The Strategic Framework identified partnerships and alliances as one of the core functions in all domains of FAO's work. Organizational Result X-03 on partnerships and alliances provides the resources and sets the indicators and targets to ensure the integration of partnerships in the corporate planning of FAO, with monitoring and evaluation of the outcomes.

### A. Rationale

6. In recent decades, the governance of food and agriculture has been increasingly transformed on a global basis by new technological, knowledge-based, financial and managerial resources and innovation. Increasingly, the private sector has been instrumental in the development and often at the origin of these transformations. This puts the private sector in touch with virtually every dimension of FAO's mission at global, regional and country levels.

7. Effective engagement with the private sector can help the fight against hunger and malnutrition by enhancing FAO's work in agriculture, fishery, forestry, natural resource management, the food value chain from farmer to consumer. Through dialogue and consultation with the private sector, FAO ensures that its support to decision-making, policies and scientific research reflect the interests of all sectors of society. Private sector stakeholders could provide additional key contributions to FAO's work in technical and institutional areas and in capacity-building, advocacy and technical support.

## II. Objectives and scope

### A. Objectives

8. The purpose of the Strategy is to enhance the development of partnerships with private sector entities that effectively contribute to the fulfillment of FAO's strategic objectives, while safeguarding FAO's impartiality and neutrality.

9. More specifically, the FAO Strategy on Partnerships with the Private Sector aims to:

- **Proactively develop and implement initiatives** to engage, collaborate or partner with private sector entities to increase effectiveness in delivery of FAO's Strategic Objectives;
- **Establish and apply guiding principles and procedures** to ensure coordinated and consistent approaches to private sector partnerships, aligned to FAO's Organization-wide Strategy for Partnerships and the UN-wide framework for cooperation with the private sector;
- **Actively engage in relevant UN initiatives** and assume a leading role on those related to areas of FAO's mandate;
- **Strengthen internal FAO capacity** to effectively interact with the private sector.

### B. Definition of the private sector and partnerships

10. The private sector includes for-profit enterprises or companies, regardless of size, ownership structure, or whether legally registered or unregistered. The private sector covers all sectors of the food, agriculture, forestry and fisheries systems from production to consumption associated services such as financing, investment, insurance, marketing and trade, and all sizes of enterprises from the family farm to the global company.

11. Although FAO considers private sector as encompassing a broad range of entities that range from farmer organizations and small and medium-sized enterprises (SMEs) in lower income countries to the largest international corporations, this Strategy however focuses on corporate private sector, which are understood to comprise: individual companies or businesses, private financial institutions, industry and trade associations, private foundations, and academic, research and special purpose institutions, coalitions and consortia, sometimes, formally not-for-profit, that represent for profit interests. This applies to small and medium-size enterprises in lower income countries, as well as the largest international corporations.

12. The Organization-wide Strategy on Partnerships defines the term partnership as "*Cooperation and collaboration between FAO units and external parties in joint or coordinated action for a common purpose. It involves a relationship where all parties make a contribution to the output and the achievement of the objectives rather than a solely financial relationship*". Partnerships serve to share common interests, assets and professional skills to promote broader interests for the community's benefit.

### C. Scope

13. This Strategy aims to engage private sector entities in support of FAO activities and to influence their core business practices in support of UN goals. Collaboration and partnerships between FAO and the private sector could improve effectiveness of the Organization's work through: facilitating public-private dialogue for the implementation of international rules and policies; involving a broad range of national actors in national programmes; and mobilizing private human and financial resources in support of nationally owned plans and activities.

## III. Enhancing successful partnerships with the private sector

14. Establishing partnerships with the private sector will serve to integrate private sector experience and technical know-how into the work of FAO and, in turn, into national planning frameworks. This has potential to create an enabling environment to promote business and overall investment, increase collaboration in the areas of food quality and safety management and control and

harmonize national food quality and safety systems with international requirements; and develop market mechanisms to reduce transaction and information costs and manage risk. It also can lead to increased investment in agriculture and access and management of natural resources; strengthen local agribusiness and natural resource management systems; enhance capacity for private entrepreneurship at country level; and above all to increased food production, distribution and availability in poor countries.

#### **A. Benefits of closer collaboration**

15. The expected benefits of FAO collaboration with the private sector are:

- better understanding of the different roles played by private enterprise and other institutions representing business interests in agrifood chains and systems, locally and globally and broader contacts with these stakeholders;
- access to current topical information, data and scientific innovation and advances in the private sector;
- greater sharing by the corporate private sector of its valuable expertise and lessons learned to help strengthen local small and medium-size enterprise development, local-market development and the promotion of sustainable value chains;
- growing worldwide practice of Corporate Social Responsibility (CSR) and in particular the implementation of CSR for food and agriculture;
- increased multi-stakeholder cooperation;
- an enabling environment for business and investment and increased collaboration in the areas of food quality and safety management and control;
- increased investment in agriculture and strengthened local agribusiness and natural resource management systems;
- increased private entrepreneurship at country level, resulting in job creation, more efficient market mechanisms to reduce transaction and information costs; and
- increased food production, distribution and availability in poor countries and better nutrition.

16. Among the broad range of private sector entities there is a variety of reasons why these entities would be interested in partnering with FAO. In current partnerships these comprise: being a stakeholder in policy debate and standard setting, knowledge sharing and joint investment.

17. The goal is to develop win-win areas that contribute to the fulfillment of FAO's Strategic Objectives in the interest of its Member States.

#### **B. Current state of collaboration**

18. FAO experience in private sector partnerships has focused in particular on the policy environment and enhancing the capacity of global and regional producers' organizations and cooperatives, business and industry in the value chain of food and related agricultural goods and services, and small and medium-size enterprises in developing countries. A stocktaking in 2008 concluded that:

- consultations with private sector associations have facilitated identification, planning and implementation of joint activities;
- partnerships on knowledge enhancement and dissemination have proven productive;
- dialogue with private sector on agriculture and food can positively contribute to global policy development;
- Public-Private Sector Partnerships can enhance technical innovation;
- private foundations increasingly provide funding for various FAO programmes;

- partnerships may pose risks to FAO that need to be identified and managed, particularly when joint activities may be perceived as affecting FAO's independence and reputation; and
- private sector representatives participate and collaborate in norms and standards setting consultations and support the preparation of technical manuals to ensure quality and sustainability in production, processing, storage, transport and marketing of food and other agricultural products.

19. The stocktaking identified two major areas of collaboration with the private sector: 1) policy and normative work; and 2) technical programmes implemented at field level. In the realm of policy, FAO plays a key facilitation role in the negotiation and implementation of international policies, guidelines and codes of conduct. Private sector representatives are included in different multi-stakeholder processes related to such work.

20. The stocktaking exercise also identified a number of areas requiring further attention:

- The need to systematically identify potential conflicts of interest that could affect the credibility and neutrality of the Organization. This risk applied in particular to areas of policy development and standard setting, but also to technical programmes. Mechanisms to assess and manage potential risks have been put in place.
- Limited awareness of procedures for establishing collaboration has led to perceptions of these being lengthy and complicated.
- Significant need and strong demand for training and capacity building of FAO staff.

#### **IV. Areas of engagement**

21. The Strategy identifies three main areas of collaboration: *policy dialogue, norms and standard-setting, and development and technical programmes*, as well as three cross-cutting areas: *advocacy and communication, knowledge management and dissemination, and mobilization of resources*.

##### **A. Policy dialogue**

22. FAO's role as a facilitator in public-private partnerships and multi-stakeholder processes has been widely acknowledged. Private sector participation in policy dialogue can add transparency, perspective and balance to the debate and decision-making, and ensures that the interests and technical expertise of all sectors of society are taken into account.

23. To facilitate effective private sector involvement in this area, FAO provides:

- advice and information to help the public sector understand the potential supportive roles that can be played by private enterprise at all stages of the agrifood chain, from local to global and the modalities to create an enabling environment;
- preparation of proposals for reforms to reduce transaction costs, foster competition, and increase incentives for the growth of agrifood-industries and enterprises;
- guidance for the appraisal, negotiation and development of public-private partnerships to facilitate and promote agricultural sector investments;
- support public sector institutional capacity building to work with private sector actors on agricultural value chain innovation, market and product development, agricultural financial services and investment and input supply systems; and
- encourage multi-stakeholder policy development processes by strengthening broad stakeholder involvement in relevant for a at national and international levels. With regard to food security, a particular role is played by intergovernmental bodies such as the Committee on World Food Security (CFS) and the Alliance Against Hunger and Malnutrition (AAHM).

Example of FAO policy dialogue engagement:

**Committee on World Food Security (CFS)**

The Committee on World Food Security is an intergovernmental body which serves as a forum for review and follow-up of policies concerning world food security, including production and physical and economic access to food. Participants include, among others, private sector associations and philanthropic foundations.

**B. Norms and standard-setting**

24. FAO plays a key convening and facilitator role in the negotiation and implementation of international codes of conduct, safety and quality standards for food and other commodities, and other internationally-agreed normative frameworks. FAO already has a strong and long-standing relation with the private sector in this area. In this regard, it has focused on private sector federations and associations, which regularly participate and collaborate in numerous consultations, meetings and roundtables and have supported the development of scientific advice and the production of many technical manuals on good practices.

25. In order to ensure maximum benefit from private sector participation in standard setting processes and mitigate risks of possible conflicts of interest, collaboration in this area of work is intended to:

- continue regular consultation with the private sector through networks, business associations and coordination mechanisms to ensure their perspectives have been heard in standard-setting processes and to facilitate respect for, and implementation of international instruments;
- engage the private sector in strengthening coordination along the value chain, fostering responsible practices and transparency at all levels of the production process; and
- provide an independent platform for interaction between public and private sector stakeholders.

Example of FAO engagement in norms and standard setting:

**Codex Alimentarius**

The Codex Alimentarius Commission was established to protect consumers' health and promote fair practices in the food trade. The Commission develops food standards, guidelines and related texts that now are the benchmarks against which national food safety measures and regulations are evaluated (explicit reference to Codex standards in the World Trade Organization sanitary and phytosanitary measures agreement). The Commission works with many stakeholders to develop these standards, including those private sector and civil society organizations that have been granted observer status. They may submit written comments and intervene during committee/commission meetings at the discretion of the Chairman.

**The Advisory Committee on Paper and Wood Products (ACPWP)**

ACPWP is an FAO statutory body composed of senior executives from the private industry sector worldwide with the main objective of providing guidance on activities and programme of work on issues relevant to the paper and forest products industry.

**C. Development and technical programmes**

26. The private sector can complement FAO's policy and technical work at international and field level. Local private companies can enhance field activities and programme delivery and complement local and national institutions, while international, large and medium-size companies can provide support to local small and medium-size enterprises, strengthening national capacity and economic growth.

27. The goal of working with private partners in the field is to support smallholder producers, processors and marketers, as well as farm enterprises and their organizations, federations or

cooperatives currently facing the parallel pressures of globalizing markets and increasing local and national demand. Supporting the scaling up of these local entities can contribute to enhanced goods and services for the poor and malnourished and broader provision of increased economic opportunities.

28. Where both local private sector actors and local and national institutions are weak, FAO is well positioned to develop:

- targeted projects to strengthen private sector capacity to generate public goods for the food and agriculture sectors;
- joint initiatives to test innovations for food security as public goods under FAO technical supervision; and
- assist national institutions in member countries to put in place monitoring, evaluation and risk-management tools to improve transparency and effectiveness of programmes and activities developed in partnership with the business community.

## **D. Cross-cutting areas**

### *Advocacy and communication*

29. In the areas of advocacy and communication there are many opportunities for collaboration to support achievement of FAO's strategic objectives.

30. World Food Day and TeleFood are main examples of private sector sponsored events, principally organized at country level. The private sector also provides in-kind donations and services to improve the visibility and effectiveness of global and local public awareness initiatives.

31. Collaboration in this area of work is intended to:

- maintain FAO priorities on the global public agenda, in particular: the right to food, the fight against hunger, and sustainable agricultural development;
- mobilise private sector support for international and national communication and advocacy activities related to food and agriculture.

Examples of FAO engagement in advocacy and communication:

#### **World Food Day**

Celebrated all over the world on 16 October, the anniversary of FAO's foundation, World Food Day (WFD) is an important means of raising awareness on hunger and related issues. Significant events are organized at FAO and UN headquarters and the Day is celebrated in more than 140 countries with multi-stakeholder discussions on food security, the launch of programmes and other activities. The private sector contributes to the WFD in many different ways, through sponsorship and collaboration in advocacy and communication efforts.

#### **TeleFood**

Since 1997, World Food Day has been complemented by the TeleFood campaign, aimed at mobilizing public awareness, strengthening advocacy and fundraising in support of local projects. TeleFood is an important source for developing local micro projects that target the most vulnerable. Private sector contributions are essential to raising awareness and mobilizing action to end hunger worldwide.

#### **Ending Hunger Project**

Ending Hunger Project is an online petition aiming to reach 1 million signatures to put pressure on politicians and governments to act against hunger.

## **E. Knowledge management and dissemination**

32. A wide range of FAO activities are aimed at providing the international community with impartial information and knowledge on food and agriculture. FAO's technical advice is often requested by international public and private organizations. The private sector contributes to FAO knowledge and research capacity by providing data, amongst others on market trends, emerging technologies. FAO is also increasingly requested to provide technical expertise to the private sector related to the social and environmental impacts of their activities.

33. Private sector knowledge and technology can provide important contributions to the public good. FAO encourages sharing and dissemination of such information through global networks and along the value-chain. Collaboration in this area involves:

- maximize benefits from private sector research and technology by applying it to areas of public interest (e.g. mapping systems on land management and satellite technology);
- increase linkages, and knowledge production and exchange, along the value chain in support of sustainable rural development.

Examples of FAO engagement in knowledge management and dissemination are:

### **Access to Global Online Research in Agriculture (AGORA)**

Set up by FAO together with major publishers, AGORA provides free or low cost access to major scientific journals (total of 1 300) in agriculture and related biological, environmental and social sciences to public institutions in developing countries.

### **Dimitra**

Dimitra is a participatory information and communication project that contributes to improving the visibility of rural populations, women in particular.

### **FishInfo Network (FIN)**

FishInfo Network was created to assist the fishery sector in developing countries and countries in transition providing services to private industry and to governments.

## **F. Mobilization of resources**

34. Mobilization of human, financial and other resources is fundamental to the implementation of FAO's programme of work. Voluntary contributions have progressively come to cover approximately half of the overall total budget. Private sector entities may provide human, logistical, managerial and financial resources. Private foundations have emerged as increasingly important sources of support to research and programme development and implementation. Both can contribute to global fund-raising and sponsoring of activities at all levels, and improve effectiveness of national implementation of policies and programmes.

35. In line with its Resource Mobilization and Management Strategy, FAO will:

- work with key private sector partners on fund-raising strategies in areas of common interest;
- develop a joint approach to resource programming and use, where relevant;
- document the volume of human and other resources mobilized by its private sector partners for major events and programmes to inform future planning.

## **G. Categories of private sector contributions**

36. FAO recognizes three main categories of contributions the private sector can make to its programmes and projects:

- *Managerial, technological and scientific expertise.* This involves exchange of expertise in the fields of human resources, research and development including contributions to policy dialogue and standard-setting processes. The transfer of knowledge positively impacts on efforts to achieve food security goals at the national and international levels and in all sectors of the food system.
- *Project funding.* Direct funding for field development programmes or projects can support the development activities of FAO and member countries. Public-Private Partnerships fall within this category.
- *In-kind.* In-kind contributions could be useful in certain emergency situations, and after validation of needs may encompass agricultural inputs, tools and equipment and provision of services. They may also complement resources for communication and advocacy campaigns that contribute to strengthening FAO's impact.

## **V. Corporate social responsibility and due diligence**

### **A. CSR for food and agriculture**

37. Corporate Social Responsibility (CSR) is defined as the integration of sustainable practices into the business, namely how companies manage their core business, their philanthropy and their engagement in public policy dialogue. CSR refers to the social, ecological and economic dimensions of the triple bottom line: people, planet, profit. The goal of CSR is to foster responsibility for the company's actions and encourage a positive impact on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere.

38. FAO plays a leading role in the development of the reference framework for environmentally-sustainable agriculture, which is key to CSR for food and agriculture. FAO involves private sector in the development of this framework in order to reflect their perspectives and enhance adoption of sustainability principles. FAO will promote the mainstreaming of these principles through international initiatives such as the UN Global Compact and the World Economic Forum, and adherence at all levels to international standards and CSR principles within the agribusiness and other relevant sectors.

### **B. Due diligence**

39. Adopting an open and pro-active approach to private sector partnerships will require adequate mechanisms to identify and manage potential risks that may affect FAO's reputation as an impartial intergovernmental technical agency. This process involves the strategic selection of partners, well-defined agreements, monitoring and evaluation.

*Selection of private sector partners*

40. The overall framework for the selection of partners is provided by the general guiding principles on partnerships from the FAO Organization-wide Strategy on Partnerships.

**General Principles from the FAO Organization-wide Strategy on Partnerships**

- A partnership should lead to a clear and mutual added value in terms of results relevant to shared goals and objectives, weighted against costs and impediments.
- A partnership should serve as a means for greater effectiveness in supporting international governance of agriculture and agricultural development, including through results-based monitoring and incorporating lessons learned, in line with FAO's goals and strategic objectives.
- Building on ongoing collaboration, new partnerships should be based on the comparative advantages of each partner.
- The nature of the role of FAO in a partnership, which could be that of a leader, facilitator or participant, should be determined by the nature and relevance of inputs and services to be provided.
- FAO must at all times preserve its neutral and impartial role in partnerships and act in a transparent manner while at the same time avoiding any conflict of interest.
- The implementation of global partnerships should take into account conditions and requirements at regional and country levels.

41. These general principles serve as a framework for the FAO Principles and Guidelines for Cooperation with the Private Sector that were first issued in 2000. These Principles and Guidelines are aligned with the UN Business Guidelines and similar principles of other UN agencies and the World Bank. All FAO partnerships with the private sector are expected to adhere to these Principles:

• **Alignment with UN guidelines and international agreements**

Fundamental compliance and alignment with common UN guidelines is a prerequisite for a mutual beneficial partnership.

• **Conformity with FAO's mission, mandate, objectives and work programme**

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

• **Common objectives and mutual benefits**

A prerequisite of a partnership is alignment in mission and mandate, as well as long-term objectives with the potential partner.

• **Non-exclusivity with no preferential treatment, unfair advantage or endorsement**

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.

• **Neutrality and integrity**

Partnerships must ensure that the neutrality of the Organization is maintained and the integrity, independence and reputation of FAO are not put at risk. In particular, declarations of interests are to be made explicit for policy, normative, knowledge production and dissemination work included in the partnership agreement.

- **Accountability of all parties with clear and agreed responsibilities**

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

- **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.

- **Sustainability**

Partnership activities should be planned to promote economic, environmental and social sustainability and to make optimum use of a partner's resources. A mutually agreed process for the monitoring and evaluation of partnership projects should be built into the project design.

- **Respect for intellectual property in delivery of public goods**

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

- **Scientific credibility and innovation**

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

### **C. FAO risk management**

42. A risk assessment process and due diligence tools are in place to evaluate private sector partnerships. Special attention is given to risks that potentially could affect FAO's reputation as an impartial forum and knowledge-based Organization. Such risks for instance include: conflict of interest; undue influence on standard setting; unfair advantage to specific companies.

43. The risk assessment process involves preliminary screening, review by the FAO Partnerships Committee and monitoring and evaluation. Proposals for a partnership or sponsorship are submitted for approval to the Partnerships Committee, chaired by the Director-General, and composed of members of senior management. The Partnerships Committee is supported by the Sub-committee on Review of Financial and Other Agreements (SubCom-RFA) whose role is to "review and examine partnership proposals and pre-assess cases for transmittal to, and approval by the Partnerships Committee."

44. Tools have been developed to streamline this process. These include: due-diligence screening on the basis of common UN criteria and FAO specific risk factors; a database on past and ongoing private sector partnerships, staff training and a help-desk. The purpose of these tools is to minimize risks and to ensure that potential selected private sector partners are compliant with FAO's mission and mandate, and with FAO's Principles and Guidelines.

45. Detailed operational guidance for the selection of partners and the development of partnerships are provided in the Principles and Guidelines for FAO Cooperation with the Private Sector.

## **VI. Implementing the Strategy**

46. The FAO Strategy on Partnerships with the Private Sector is complemented by an Implementation Plan (see in annex) for multifaceted engagement with the private sector that will be regularly updated.

47. FAO's engagement with the private sector is currently coordinated by the Partnerships with Civil Society and Private Sector Branch (OCEP) within the Office of Corporate Communications and External Relations (OCE). The role of this unit is to serve as catalyst and focal point in expanding the

quality, number and impact of FAO's relationships with the private sector at the global, regional and national levels.

48. The Implementation Plan will include training and capacity building for staff at headquarters and decentralized offices, and the establishment of a corporate database of knowledge and lessons learned in partnerships with the private sector.

49. Implementation is conducted in close consultation and collaboration with relevant operational units, notably the Regional Offices, Technical Cooperation Department, the Legal Office and the Procurement Service.

<b>Implementation Plan</b> <b>Private Sector Cooperation Work Plan (2011–2013)</b>		
<b>Key Action 1: Finalization of FAO's Strategy on Partnerships with the Private Sector</b>		
<b>Activities</b>	<b>Outputs</b>	<b>Timeline</b>
1. Presentation of the draft FAO Strategy on Partnerships with the Private Sector to the FAO Partnerships Committee	- Received guidance from the Partnerships Committee.	September 2011
2. Presentation of the draft FAO Strategy on Partnerships with the Private Sector to the Joint Meeting of the Programme and Finance Committees	- Received guidance from Members. - Revised draft Strategy.	October 2011
3. Further review of the draft Strategy, with particular emphasis on Decentralised Offices	- Received comments and recommendations.	November 2011 to early 2012
4. Consultation with a strategic set of Private Sector partners and information sharing with other UN agencies	- Received comments and recommendations with a view to a pro-active, operational approach.	November 2012 to early 2012
5. Finalization and presentation to the Partnerships Committee and Management	- Reviewed and approved by the Partnerships Committee.	tbd (2012)
6. Presentation Strategy on Partnerships with the Private Sector to the Joint Meeting of the Programme and Finance Committees	- Received recommendations and further guidance from Members.	2012
7. Final presentation to members	- Endorsed at FAO Council.	2012
<b>Key Action 2: Implementation of FAO's Strategy on Partnership with the Private Sector</b>		
<b>Activities</b>	<b>Outputs</b>	<b>Timeline</b>
8. Facilitate/support the establishment of an integrated and coordinated framework for multistakeholder dialogue and participation in policy, norm-setting, development programme and advocacy work	- Established or strengthened consultative private sector mechanisms and processes.	1 <sup>st</sup> phase completed. Ongoing through 2012, and beyond
9. Encourage/facilitate participation of the private sector in processes dealing with food security and nutrition at global, regional and local levels	- Fostered Private Sector participation in workshops, conferences and seminars organized in cooperation with FAO technical units, sister agencies and private sector stakeholders on private sector engagement in development. - Increased participation of the Private Sector in the CFS process. - Increased collaboration with Private Sector at international, regional and local levels, in particular through creating linkages with national mechanisms and networks for food security and nutrition (such as national food security mechanisms, AAHM etc).	Ongoing until 2013
10. Technical support to FAO staff in identifying new partnership initiatives	- Provided capacity development of Headquarters and Decentralized Offices to manage private sector cooperation at field level.	1 <sup>st</sup> phase completed. Ongoing through 2013

11.	Launch of new strategic partnerships	- Initiated four new partnerships every year according to areas of engagement.	Ongoing through 2013
12.	Annual review process of the Strategy	- Implementation and refinement of the Strategy.	Ongoing through 2013
<b>Key Action 3: Revision and dissemination of FAO's Principles and Guidelines on partnerships</b>			
Activities	Outputs	Timeline	
1.	Consolidation of Principles and Guidelines for cooperation with the private sector	<ul style="list-style-type: none"> <li>- Prepared and finalised Principles and Guidelines for cooperation with the private sector.</li> <li>- Strengthened capacity to partner with private sector entities at decentralized and headquarters level.</li> <li>- Disseminated Guiding Principles throughout FAO headquarters as well as decentralized offices.</li> </ul>	1 <sup>st</sup> phase completed including consolidated draft paper. Finalisation early 2012 with dissemination throughout 2012
2.	Update of internal policies, procedures and guidelines for partnering with the private sector	<ul style="list-style-type: none"> <li>- Simplified internal policies and procedures.</li> <li>- Provided recommendations for revision of legal and administrative documents including – as required - FAO's Basic Texts.</li> </ul>	Initiated 4/2011; ongoing through 2013
<b>Key Action 4: Due diligence and screening system</b>			
Activities	Outputs	Timeline	
1.	Ongoing process for assessment of Private Sector partners	<ul style="list-style-type: none"> <li>- Finalized due diligence pre-screening tool to assess potential private sector partners, as a basis for the SubCom-RFA.</li> <li>- Established a database of pre-screened private sector actors aligned with UN pre-screening tools, databases and practice.</li> </ul>	1 <sup>st</sup> phase completed. Ongoing through 2013
<b>Key Action 5: Assessment and monitoring of private sector partnerships</b>			
Activities	Outputs	Timeline	
1.	Review FAO's cooperation with the private sector (2005-2010)	<ul style="list-style-type: none"> <li>- Compiled lessons learned.</li> <li>- Identified best practices.</li> <li>- Highlighted recommendations on the way forward.</li> <li>- Information shared through relevant fora (Partnerships Committee, SubCom-RFA, IDWG, Web portal, training).</li> </ul>	Review completed by end 2011; information sharing first semester 2012
2.	Update FAO's private sector database	<ul style="list-style-type: none"> <li>- Revised corporate database (FPMIS) with private sector data available online to FAO staff and key partners.</li> </ul>	1 <sup>st</sup> phase started. Completion projected first semester 2012
3.	Design, develop and pilot methodology for partnership monitoring and evaluation	<ul style="list-style-type: none"> <li>- Developed and implemented monitoring and evaluations tools.</li> <li>- Ensured databases contain up-to-date information.</li> </ul>	1 <sup>st</sup> phase completed. Ongoing until 12/2012

<b>Key Action 6: Support to partnerships with private sector</b>		
<b>Activities</b>	<b>Outputs</b>	<b>Timeline</b>
1. Development of “Do’s and Don’ts ” of partnering with the private sector	- Provided clear guidelines and shared best practises in partnering with the private sector to headquarters and decentralized offices.	1 <sup>st</sup> phase completed. Ongoing through 2012
2. Provide a guide to headquarters and decentralized offices on different types of engagement	- Disseminated due diligence pre-screening principles and risk management measures to headquarters and decentralized offices.	Ongoing through 12/2012
<b>Key Action 7: Training on partnerships</b>		
<b>Activities</b>	<b>Outputs</b>	<b>Timeline</b>
1. Develop tools for the strategic management of partnerships in consultation with headquarters and decentralized offices	- Developed training modules for strategic partnerships and capacity building. - Publication and CD-Rom on “Managing Partnerships” developed.	Ongoing through 2013
2. Conduct training activities at headquarters and decentralized offices on strategic partnerships	- Tested pilot training modules on managing strategic partnerships with the private sector.	Designed in 2011, initiated and rolled-out in 2012. Continuing through 2013
<b>Key Action 8: Communication to internal and external audiences</b>		
<b>Activities</b>	<b>Outputs</b>	<b>Timeline</b>
1. Communicate to FAO staff and to external audience on the Strategy for Partnership with the Private Sector and on the Guiding Principles for private sector cooperation	- Finalized new FAO Private Sector Web site. - Developed knowledge sharing tools (seminars, Intranet, UN-business portal).	1 <sup>st</sup> phase completed. with Web site operational. Ongoing throughout 2012