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## COUNCIL

### Hundred and Forty-fifth Session

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### Reviewed Strategic Framework and outline of the Medium Term Plan 2014-17

#### Executive Summary

FAO is reviewing its Strategic Framework 2010-19 and preparing a new Medium Term Plan (MTP) for the period 2014-17 as part of the established planning, programme and budget system, guided by the Strategic Thinking Process. The present document provides the Council with:

- i) Updated status of the Strategic Thinking Process (Part I), for information.
- ii) Reviewed Strategic Framework, summarizing the future Strategic Objectives, as well as the trends, challenges, and comparative advantages of the Organization (Part II), for decision.
- iii) Outline of the MTP 2014-17, including the overarching results framework and preliminary, draft Action Plans relating to the Strategic Objectives (Part III), for comments and guidance.

The review of the Strategic Framework and preparation of the MTP is a cornerstone of the vision for transformational change of FAO, which builds on reforms of the past several years accelerated by decisions and actions taken in 2012. Transformational change measures being introduced are aimed at enhancing delivery and impact of programmes in support of the Organization's fundamental objective of combating hunger, malnutrition and food insecurity globally by effective translation of its normative work into country-level impact, and of its global knowledge products into tangible change in policy and practice.

The **reviewed Strategic Framework** provides the overall strategic direction for the Organization. Starting from FAO's Vision and Global Goals, which have not been altered as part of the current review, the Strategic Thinking Process, through a series of iterative, analytical and consultative steps, identified: (i) overarching, global, political, and socio-economic **trends** envisaged to frame agricultural development over the medium term; (ii) **main challenges**, derived from these trends, expected to be faced by member countries and development actors in food and agriculture in the coming years; and (iii) FAO's basic **attributes, core functions and comparative advantages** mapped against the main challenges.

The concepts of comparative advantages and core functions have been revisited by means of a critical analysis centred on two elements: the evolving development cooperation environment globally; and

FAO's basic organizational attributes. As a result of the analysis, a **revised set of core functions** has been defined.

Five new **Strategic Objectives** are thus extrapolated and represent the main areas of work on which FAO will concentrate its efforts in striving to achieve its Vision and Global Goals:

1. Eradicate hunger, food insecurity and malnutrition
2. Increase and improve provision of goods and services from agriculture, forestry and fisheries in a sustainable manner
3. Reduce rural poverty
4. Enable more inclusive and efficient agricultural and food systems at local, national and international levels
5. Increase the resilience of livelihoods to threats and crises

The **Medium Term Plan (MTP) 2014-17** is being currently developed as part of the result-based approach to planning, programme and budget introduced by the Conference in 2009.

Three innovations in relation to the five proposed **Strategic Objectives** are being introduced to the MTP: (i) **Action Plans** to guide the achievement of each Strategic Objective, to be implemented as corporate programmes and regional programmatic initiatives, based on the application of all the core functions; (ii) an additional Objective to ensure that the quality and capacity of FAO's **knowledge and technical work**, including norms and standard setting; (iii) and two cross-cutting areas of work, on **gender and governance**, are incorporated and mainstreamed across the Strategic Objectives.

The **Functional Objectives** are an essential part of the enabling environment to support the achievement of the Strategic Objectives. The Functional Objective on efficient and effective administration (currently FOY) will be maintained, while the current Functional Objective X on effective collaboration with Members States and stakeholders will be adjusted to allow for more transparent visualization of the enabling services provided, as well as the resources allocated.

A more robust **results framework** will be introduced in the MTP, with enhanced Organizational Outcomes, indicators and targets. In this context, an outline of the future budgetary chapter structure is presented, which will drive the planning, monitoring and reporting for the biennium, and reflect clearly the importance of FAO's knowledge and standard-setting mandate.

#### **Guidance sought from the Programme and Finance Committees and the Council**

The Programme and Finance Committees, and the Council are invited to:

- review and endorse the Strategic Objectives in the reviewed Strategic Framework presented in Part II of this document; and
- provide any comments and guidance on the draft Action Plans and results framework in the outline of the MTP 2014-17 presented in Part III.

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## *Introduction*

### **A. The vision for transformation of the Organization**

1. The review of the existing Strategic Framework of FAO is part of the established planning, programme and budget system introduced by the Conference at its 36<sup>th</sup> session in November 2009.<sup>1</sup> This approach also drives the preparation of related planning documents: the Medium Term Plan 2014-17 and the Programme and Work and Budget 2014-15.
2. The review of the Strategic Framework and preparation of other planning documents is also a cornerstone of the vision for transformational change of FAO, which builds on reforms of the past several years accelerated by decisions and actions taken in 2012. The transformational change will help to enhance delivery and impact of programmes in support of the Organization's overarching aim of combating hunger, malnutrition and food insecurity globally by effective translation of its normative work into country-level impact, and of its global knowledge products into tangible change in policy and practice.
3. All elements of the transformational change process are predicated on a clear and more focused strategic direction, based on enhanced capacity and functioning of the decentralized office network working in a holistic and mutually supportive way with headquarters. To carry this forward, targeted institutional strengthening is required along with additional measures to obtain greater value-for-money.
4. At its 144<sup>th</sup> session, the Council supported the overall vision for transformational change of the Organization. An update is presented in document CL 145/3<sup>2</sup> on the progress of implementation of the transformative measures it approved, as well as further proposals for institutional strengthening. The vision for transformational change also builds upon Members' previous guidance and the benefits arising from FAO reform, the IEE and the IPA. Document CL 145/10 provides the Council with a status report on implementation of the IPA, including realized benefits.
5. The future strategic direction and priorities of the Organization within the context of the vision for transformational change are being developed by the Strategic Thinking Process, which drives the review of the existing Strategic Framework and preparation of the Medium Term Plan 2014-17. At its 144<sup>th</sup> session, the Council supported the Strategic Thinking Process as a key component of transformational change for FAO. Accordingly, the Council is presented with the reviewed Strategic Framework and outline of the Medium Term Plan 2014-17 as the latest output of the Strategic Thinking Process.

### **B. Guidance arising from 144<sup>th</sup> Session of Council**

6. The Council at its 144<sup>th</sup> session<sup>3</sup> appreciated the participatory and transparent nature of the Strategic Thinking Process, and encouraged further formal and informal dialogue in this regard. The Council also welcomed the process of identifying fewer, more cross-cutting Strategic Objectives for FAO, extrapolated from the global trends and main challenges through analysis of FAO's basic attributes, core functions and comparative advantages, and taking account of regional specificities and views provided by the 2012 Regional Conferences, including the Informal Regional Conference for North America.
7. In addition, the Council emphasized the need for more attention within the Strategic Thinking Process to sustainable management of natural resources, and to the contribution of agriculture, fisheries and forests. It also requested inclusion of a number of elements in further elaborating the Strategic Objectives and in preparing the associated results-based Action Plans, including: (i) regional specificities and priorities; (ii) guidance of the Technical Committees; (iii) linkages with normative and standard-setting work; (iv) formation and strengthening of meaningful partnerships; (v) a robust

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<sup>1</sup> Conference Resolution 10/2009

<sup>2</sup> <http://www.fao.org/docrep/meeting/026/me906e.pdf>

<sup>3</sup> CL 144/REP, paragraphs 25 and 30-34 <http://www.fao.org/docrep/meeting/025/me323e.pdf>

results-based framework and alignment with Country Programming Frameworks; and (vi) the need for a smooth and transparent transition from the current to the future MTP.

8. In taking note of the roadmap for review and decision of major planning documents by the governing bodies, the Council looked forward to considering the reviewed Strategic Framework and outline of the Medium Term Plan 2014-17 at its 145<sup>th</sup> session, so that its guidance could provide a basis for preparing the Programme of Work and Budget 2014-15.

### **C. Scope of the document**

9. The present document provides the Council with the latest output resulting from the critical analysis and consultation within the Strategic Thinking Process:

- i) Updated status of the Strategic Thinking Process (Part I)
- ii) Reviewed Strategic Framework, summarizing the future Strategic Objectives, as well as the trends, challenges, and comparative advantages of the Organization (Part II)
- iii) Outline of the MTP 2014-17, including the overarching results framework and preliminary, draft Action Plans relating to the Strategic Objectives (Part III)

### **D. Guidance sought**

10. The Programme and Finance Committees, and the Council are invited to:

- review and endorse the Strategic Objectives in the reviewed Strategic Framework presented in Part II of this document; and
- provide any comments and guidance on the outline of the MTP 2014-17 and the draft Action Plans and results framework in the presented in Part III.

## **I. Part I: Strategic Thinking Process**

11. At its 36<sup>th</sup> session in November 2009, the Conference established<sup>4</sup> a renewed programme and budget approach for FAO consistent with actions arising from the Immediate Plan of Action on priorities and programmes for the Organization. This new approach introduced revised planning documentation for the Organization, including a Strategic Framework, prepared for a period of ten to fifteen years and reviewed every four years, and a Medium Term Plan (MTP) covering a period of four years. In addition, the new arrangements envisaged the Regional Conferences, Technical Committees and the Programme and Finance Committees advising the Council on programme and budget matters, including priority areas of work for the Organization.

12. The Strategic Thinking Process was launched in January 2012 by the Director-General to determine the future strategic direction of FAO. Its broad and consultative nature includes participation of, and consultation with staff, inputs by an external Strategy Experts Panel<sup>5</sup>, consultation with partner organizations and ample consultation and dialogue with Member Nations.

13. The Strategic Thinking Process informs the review of the current Strategic Framework 2010-19 and preparation of the MTP 2014-17 consistent with the new approach to planning introduced by the Conference, and in line with the context and high-level timeline approved by the Programme and Finance Committees<sup>6</sup> and by the Council<sup>7</sup> at the end of 2011. The Strategic Thinking Process, with the different steps and components, is described in *Figure 1*.

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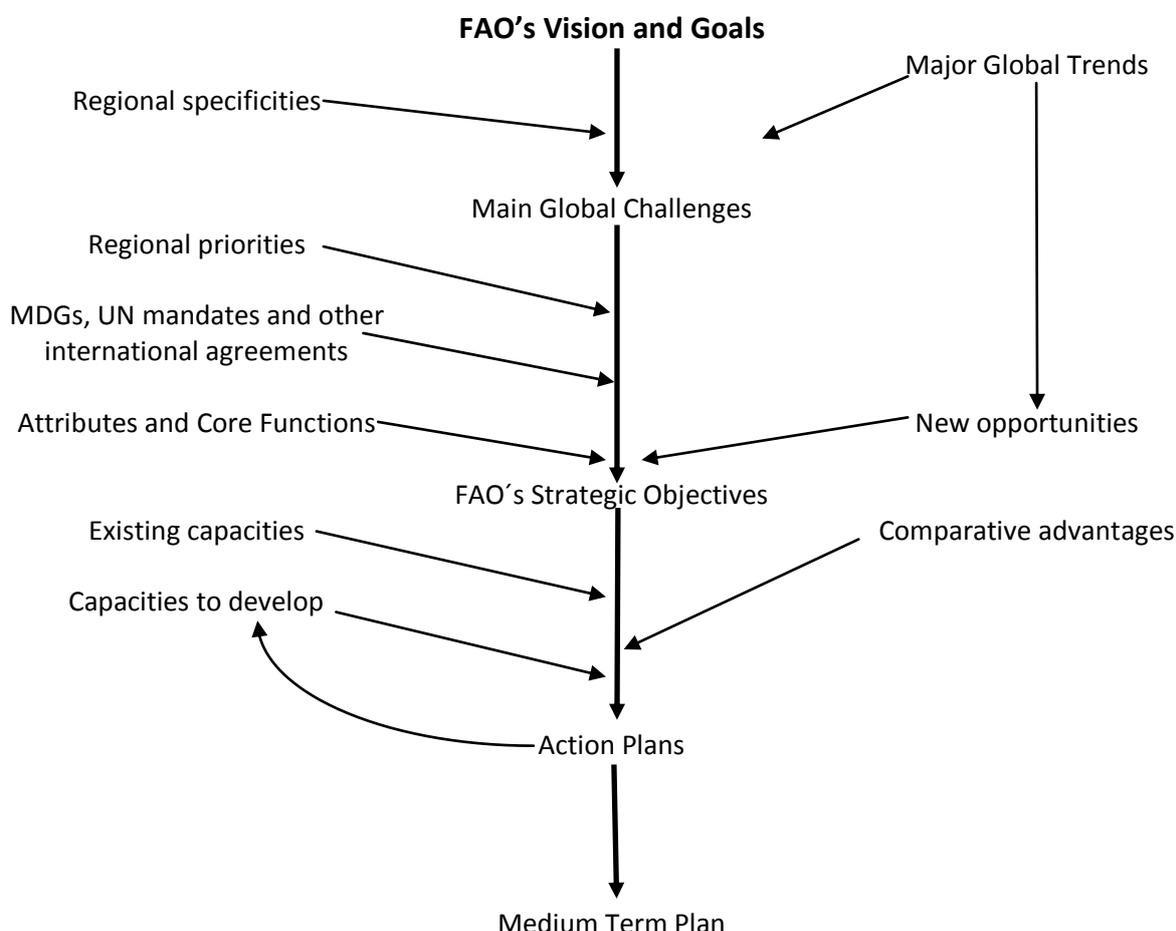
<sup>4</sup> CR 10/2009 <http://www.fao.org/docrep/meeting/019/k6302e.pdf>

<sup>5</sup> Prof Alain de Janvry, Dr Shenggen Fan, Prof Louise O Fresco, Mr Gustavo Gordillo De Anda, Prof Richard Mkandawire, Prof Inder Sud, Dr David Goodman

<sup>6</sup> CL 143/13, para. 7 <http://www.fao.org/docrep/meeting/024/mc486e.pdf>

<sup>7</sup> CL 143/REP, para. 13c) <http://www.fao.org/docrep/meeting/024/mc783e.pdf>

Figure 1: Strategic Thinking Process



14. The Process started by identifying the Major Global Trends as drivers of change, and Main Challenges pointing to possible priority areas of future work for the Organization. As the first step of formal dialogue with the governing bodies, the 2012 Regional Conferences considered global trends identified by the Process. The Regional Conferences provided guidance on regional priorities, and regional specificities of the main global challenges.

15. This was followed by analysis of FAO's core functions and comparative advantages defined in relation to other organizations with mandates in agriculture and rural development. Expert input was provided by the Strategy Experts Panel. As a result of this dialogue and analysis, five draft Strategic Objectives to guide the overall, future plan of work of the Organization were extrapolated. The proposed Strategic Objectives were submitted for consideration by the Programme and Finance Committees and to the 144<sup>th</sup> Session of the Council.<sup>8</sup>

16. Based on the guidance provided by the Council, the Strategic Objectives have been further refined. This elaboration takes into account another round of feedback from the Strategy Experts Panel and inputs from the Technical Committees, in particular on sustainable management of natural resources as relates to agriculture, fisheries, forests, agricultural heritage, genetic resources and food safety, within the context of global climate change.

<sup>8</sup> CL 144/14 <http://www.fao.org/docrep/meeting/025/md881e.pdf>

17. Following consideration of the reviewed Strategic Framework and the outline of the MTP 2014-17 by the Council at its 145<sup>th</sup> session in December 2012, the Action Plans relating to the Strategic Objectives, and the overall results model, will be further refined within the Medium Term Plan 2014-17 and the Programme of Work and Budget 2014-15. These documents will be submitted for review and endorsement by the Programme and Finance Committees in March 2013, and by the 146<sup>th</sup> session of the Council in April 2013. Thereafter, they will be submitted for approval by the 38<sup>th</sup> session of the Conference in June 2013.

18. The timeframe for preparation of further outputs within the Strategic Thinking Process, and their consideration by the governing bodies is consistent with the high-level roadmap endorsed<sup>9</sup> by the Council at its 144<sup>th</sup> session.

## **II. Part II: Reviewed Strategic Framework**

### **A. FAO's vision and Global Goals**

19. FAO's vision and Global Goals have been approved by the governing bodies as part of the current Strategic Framework, and have not been altered during this review. FAO's vision is "A world free from hunger and malnutrition where food and agriculture contribute to improving the living standards of all, especially the poorest, in an economically, socially and environmentally sustainable manner".

20. The three Global Goals are:

- 1) reduction of the absolute number of people suffering from hunger, progressively ensuring a world in which people at all times have sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life;
- 2) elimination of poverty and the driving forward of economic and social progress for all, with increased food production, enhanced rural development and sustainable livelihoods; and
- 3) sustainable management and utilization of natural resources, including land, water, air, climate and genetic resources for the benefit of present and future generations.

21. FAO needs to organize its work in order to help Member Nations achieve these goals individually at the national level, and collectively at the regional and global levels.

### **B. Major global trends and main global challenges**

22. To identify and select the areas of work in which FAO must concentrate its efforts in order to contribute to the achievement of the Global Goals and the priorities selected by Member Nations, an analysis has been developed on two groups of external trends: a) the macro-economic, social and political context; and b) some major global trends that will shape the conditions under which the world is expected to evolve in the near future, and agricultural development is expected to take place. These global trends have a direct incidence on the general areas of FAO's mandate.

#### *Global trends*

23. The global scenario is changing rapidly. Social and economic forces have, through globalization, a wide and profound impact in the world we live. These forces change the economic and social environment in which agriculture and rural life take place and present a number of opportunities, but also new problems and needs that must be addressed in order to achieve the desired Global Goals.

24. Although there are many important global trends, and there are many different ways in which they can be described and characterized, there are some that are especially relevant for agriculture and rural life. Identifying major trends that are especially relevant for agriculture, describing and

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<sup>9</sup> CL 144/14, Annex <http://www.fao.org/docrep/meeting/025/md881e.pdf>

characterizing them and understanding the way they will affect agriculture and rural life is the first task that has been developed.

25. A review of recent literature on this general subject, the work developed by FAO's "Trends Group"<sup>10</sup> and the advice received by the Strategy External Panel has led to the identification of 11 major global trends that need to be brought into the analysis because they are especially relevant to FAO's vision and goals and will directly impact on agriculture and rural life. Complete write-ups of the major global trends, as well as the macroeconomic, social and political trends, are available as a Web Annex to this document at <http://www.fao.org/docrep/meeting/025/md883E.pdf>.

26. These trends define and identify major development problems that member countries, FAO and the international development community will face in the immediate future. Some of the most evident and important conclusions that emerge from the trend analysis are the following:

- a) Food demand will increase over time as a consequence of population and income growth in emerging economies. In addition, changes in patterns of demand in favour of animal products and the use of natural resources for the production of non-food products will result in greater pressures on scarce natural resources and most likely high and more volatile food prices.
- b) Food insecurity has diminished, but remains a major global problem. Expected greater volatility in food prices may generate new problems and aggravate existing ones.
- c) Malnutrition is a growing concern. The number of undernourished people that show nutrient deficiencies is large. On the other hand obesity and other health related problems are increasing in many regions and countries.
- d) Rural poverty has decreased in some regions, but remains a major problem. Agriculture is a main source of rural income, but poverty reduction will require generating other sources of income and alternatives for gainful employment that go beyond agriculture.
- e) Agricultural and food systems are becoming more complex. More than 80 percent of the total value of food production corresponds to the industrial and commerce sectors. These food systems are also more concentrated and integrated into global value chains which provide new opportunities for small farmers and new challenges from the point of view of maintaining fair and transparent markets.
- f) Agricultural trade is increasing quite rapidly, trade flows are changing, multilateral rules are more complex and regional and preferential agreements are growing in importance. Developing countries in particular will need to adjust to these new conditions.
- g) Climate change will negatively affect agriculture and rural livelihoods. Rural communities are especially vulnerable to extreme weather events and also to a number of economic shocks. Management of vulnerability to natural and economic shocks is a serious concern.
- h) The development environment is changing and better governance at the global, regional and country levels is needed to deal with the growing social and political complexity of development activities in agriculture, food and rural livelihood.

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<sup>10</sup> Piero Conforti, ESA; Vincent Gitz, AGND; Alexandre Meybeck, AGD; Astrid Agostini, TCID; Jennifer Nyberg, DDK; Sally Bunning, NRL; Olivier Dubois, NRC; Sylvie Wabbes Candotti, TCE; David Palmer, NRC; Audun Lem, FIPM; Ewald Rametsteiner, FOEP; Salomon Salcedo, RLC; Andoniram Sanches, RLC; David Sedik, REU; Sumiter Broca, RAP; James Tefft, RAF; Nasredin Elamin, RNE.

### *Main global challenges*

27. On the basis of these conclusions, and taking into consideration FAO's broad mandate, seven development challenges have been identified and selected as those that have a special significance and urgency for the Organization's member countries and other development actors:

- 1) Increase the production of agriculture, forestry and fisheries and its contributions to economic growth and development while ensuring sustainable ecosystem management and strategies for adaptation to, and mitigation of climate change.
- 2) Eradicate food insecurity, nutrient deficiencies and unsafe food in the face of increasing food prices and high price volatility.
- 3) Improve the quality and balance of food consumption and nutrition.
- 4) Improve the livelihood of populations living in rural areas, including smallholder farmers, foresters and fisherfolk, in particular women, in the context of urbanization and changing agrarian structures.
- 5) Ensure more inclusive food and agriculture systems at local, national and international levels.
- 6) Increase resilience of livelihoods to agriculture and food security threats and shocks.
- 7) Strengthen governance mechanisms for the needs for food, agriculture, forestry and fisheries systems at national, regional and global levels.

28. The main challenges have been considered and endorsed by the Regional Conferences held during 2012. Regional specificities have been incorporated in each of the main challenges and taken into consideration in the characterization of the Strategic Objectives and the development of Action Plans.

### **C. FAO attributes, core functions and comparative advantages**

29. The concepts of comparative advantages and core functions have been extensively used in FAO. Both are mentioned in a number of institutional documents, such as the Strategic Framework 2000-2015 and the Medium Term Plan 2010-13. The use of these terms has been revisited introducing two main analytical elements: the evolving development cooperation environment; and FAO's basic organizational attributes. As a result of the analysis, a revised set of core functions have been proposed. In addition, comparative advantages have been defined in terms of the seven selected main challenges.<sup>11</sup>

#### *The changing development cooperation environment and implications for FAO*

30. The development cooperation environment in which FAO operates has gone through significant changes since 2002, such as the United Nations Development Group (UNDG) five new programming principles for effective UN-supported country programming: human rights-based approach; gender equality; environmental sustainability; capacity development; and results based management. Each principle applies to FAO's engagement with, and support to national development processes and frameworks, as well as to its efforts in providing global public goods. These principles were fully reflected in the Rome Principles for Sustainable Global Food Security adopted in November 2009.

31. Given the increasing number of middle-income countries, the scope of MDG 1 (poverty and hunger) is no longer considered as ideal for advocating for hunger reduction in the context of the post-2015 development agenda, and FAO and partners need to find new, appropriate platforms to promoting food and nutrition security and sustainable agriculture. As a result, FAO needs to frame its work in the context of human rights-based approaches and "equity" in countries, regions and at the

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<sup>11</sup> A detailed analysis and conclusions are available in document "FAO's attributes, core functions and comparative advantages in relation to the Global Challenges" <http://www.fao.org/docrep/meeting/025/md881E01.pdf> prepared by an FAO working group composed of: A. Agostini, B. Benbelhassen, R. Grainger, D. Gustafson, K. Gallaher, V. Gitz, E. Hibi, S. Rudgard.

global level. Concurrently, FAO has to further enhance the linkages between the new development agenda and major factors, such as climate change, sustainability and environment, resilience and disaster risk management; and the thematic areas in which FAO possesses technical capacities and a sound knowledge base.

32. In addition to the global changes that have affected the UN and the development cooperation paradigm, other organizations with closely related mandates to FAO's have also evolved. The other two Rome-based organizations, IFAD and WFP, initially created with complementary objectives, have changed their strengths, and their work has progressively been intertwined with that of FAO. Moreover, there has been a significant growth in numbers and strength of organizations in the areas of research and technology creation and diffusion, such as CGIAR, NEPAD, IICA,<sup>12</sup> civil society organizations and the private sector. In this more complex and competitive environment, the identification of FAO's unique attributes becomes of great importance in the planning process.

#### *FAO's basic organizational attributes*

33. The most relevant basic attributes and strength of an organization are those that are intrinsic and unique to it, and which define its basic organizational characteristics. There are several basic attributes which are intrinsic and in combination unique to FAO:

- 1) it is the United Nations specialized agency in food and agriculture, with a comprehensive mandate from its member countries to work globally on all aspects of food and agriculture (including fisheries, forestry and natural resources' management), food security and nutrition across the humanitarian-development continuum;
- 2) its intergovernmental status and neutrality and the authority to provide a neutral platform where nations can call on each other for dialogue and knowledge exchange;
- 3) it has the authority to request any Member Nation to submit information relating to the purpose of the Organization;
- 4) its Regular Budget is derived from assessed contributions that provide a minimum guaranteed amount of resources that can be committed for priority activities agreed upon by member countries in the governing bodies, complemented by significant voluntary contributions, increasingly mobilized in support of FAO's Organizational Results to leverage FAO's knowledge and enhance outreach;
- 5) a staff with a broad range of expertise across its areas of mandate – albeit thinly spread - working in an interdisciplinary fashion; and
- 6) country-level presence in most low-income countries, supported by regional and global teams of experts, to respond to demands articulated by countries and regions.

#### *Core Functions*

34. Core Functions are defined in the MTP 2010-2013 as “the critical means of action to be employed by FAO to achieve results.” Consequently, they represent the types of interventions to which the Organization will give priority in its plan of action. Core Functions have evolved over the years and in the different planning documents.

35. Taking into consideration the evolving development environment and a clear characterization of FAO's basic organizational attributes, a revised set of Core Functions is derived. In line with the Independent External Evaluation (IEE) of FAO, these are Core Functions “that no other organization can adequately provide” and therefore warrant FAO's position to act in the field. They correspond to the areas of FAO's work identified by the IEE which would need to be reinvented “if FAO were to disappear tomorrow”. In addition, there are also areas in which FAO is expected to play a lead, but not necessarily exclusive, role. In such cases, FAO needs to work with partners and should intensify its

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<sup>12</sup> Consultative Group on International Agricultural Research (CGIAR); The New Partnership for Africa's Development (NEPAD); Inter-American Institute for Cooperation on Agriculture (IICA)

efforts to develop and operationalize strategic partnerships. An assessment of the basic attributes identified above led to the following Core Functions:

- 1) **Facilitate and support countries in the development and implementation of normative and standard-setting instruments such as international agreements, codes of conduct, technical standards and others.** This work will be developed at global, regional and national levels through global governance mechanisms, policy dialogue and support and advice, coupled with the development at country level of the necessary policies and institutional capacities for their implementation.
- 2) **Assemble, analyze, monitor and improve access to data and information, in areas related to FAO's mandate.** This includes the development of global and regional trends, perspectives and projections and the associated responses by governments and other stakeholders (e.g. policies, legislation and actions); also direct support to countries in the development of institutional capacities to respond to the identified challenges and possible options.
- 3) **Facilitate, promote and support policy dialogue at global, regional and country levels.** FAO as an intergovernmental organization is especially well positioned to help countries at national and international levels to organize policy dialogue activities directed to improve the understanding on important issues and to the establishment of agreements between stakeholders and/or countries.
- 4) **Advise and support capacity development at country and regional level to prepare, implement, monitor and evaluate evidence-based policies, investments and programmes.** This includes advice and support for activities directed to institutional strengthening, human resource development and direct advice to programme implementation.
- 5) **Advise and support activities that assemble, disseminate and improve the uptake of knowledge, technologies and good practices in the areas of FAO's mandate.** FAO as a knowledge organization needs to be at the forefront of knowledge and technology in all the areas of its mandate and be a source and organizational instrument to support countries in the utilization of available knowledge and technologies for development purposes.
- 6) **Facilitate partnerships for food and nutrition security, agriculture and rural development between governments, development partners, civil society and the private sector.** FAO has a broad mandate that includes major development problems that need to be targeted from a broad and comprehensive perspective. However, FAO will focus its work on the areas in which it has special competence and will establish strong partnerships with other organization to cover other complementary actions required.
- 7) **Advocate and communicate at national, regional and global levels in areas of FAO's mandate.** FAO has a main responsibility in providing communication and information services in all areas of its mandate to countries and the development community and to strongly advocate on corporate positions in relation to relevant and urgent development issues.

36. Importantly, these Core Functions are consistent with the IEE's vision that: "the objective of the Organization is to ensure that within the areas of its mandate, countries at all levels of development, particularly the poorest, have access to knowledge, public goods and services they need." This stated objective requires FAO to be a global policy setter, facilitator, partner and coordinator, as well as "doer".

37. To perform these tasks, and in line with the recommendations made by the North American Informal Regional Conference, FAO should: a) focus on its technical expertise and knowledge, and promote good practices available at country level; b) play a leading role when activities are linked to its mandate; and c) draw upon its networking and partnerships capacity. Furthermore, in some cases FAO will need to strengthen its capacities, both organizational and human resources to be able to fully implement the seven Core Functions and, in particular to reaffirm its position as the main global player in the provision of public goods and policy advice in the areas of food, agriculture, fisheries and forestry.

38. While the selected Core Functions are the most important instruments on which FAO will organize and develop its work, each of the five Strategic Objectives described below embodies the development problems where FAO will concentrate its work. Consequently, the organization and focus of FAO's work can be visualized as a matrix of Strategic Objectives and Core Functions so that the work developed under each Strategic Objective will be implemented through the application of the seven Core Functions.

39. In the next section, the issue of FAO's comparative advantages is addressed in relation to each of the selected development challenges.

*Comparative advantages in relation to the selected challenges*

40. Comparative advantage is a relative concept in three dimensions:

- 1) First, it is a special capacity relative to the end mission pursued. A comparative advantage is an advantage only if it is *relevant* to the *challenge* that needs to be addressed and to "*what needs to be achieved?*" (i.e. the objectives) to address this challenge.
- 2) Second, it depends on the *set of activities and instruments* that FAO is capable to pursue and implement to achieve the selected objectives. This goes two ways:
  - a) *from the activities to comparative advantages and capacities*: activities pursued over time by the Organization can lead to the creation of capacities and comparative advantages; and
  - b) *from comparative advantages and special capacities to activities*: the Organization shall seek to pursue activities in domains where it has a comparative advantage or special capacity to act.
- 3) Third, the notion is relative to other actors' roles and performance to address the same challenge and meet the established objectives, with the same or a different set of tools.

41. The analysis identifying FAO's existing comparative advantages in relation to each challenge is presented for information in the document entitled "FAO's attributes, core functions and comparative advantages in relation to the Global Challenges", available on the Web at <http://www.fao.org/bodies/council/cl144/en/>. The table in the document illustrates four entries: a) the challenges; b) "what needs to be achieved" to contribute to the challenge; c) FAO's comparative advantages or capacity to act; and d) the potential focus areas for FAO's action in terms of activities, instruments and tools.

#### **D. FAO Strategic Objectives**

42. The seven challenges identified and described in Part II.B, including the regional specificities and priorities identified, represent the main development problems that member countries and the development community, including FAO, will face in the near future. They are the basic consideration from which Strategic Objectives have been derived, along with five elements that have informed the analytical process leading to their selection:

- a) FAO's mandate, vision and goals (Part II.A);
- b) relevant MDGs, other broad mandates that have been approved by the UN governing bodies that are important guidelines for FAO's to prioritize its main responsibilities within the UN system. Of particular relevance are the specific responsibilities and mandates received by FAO within the UN system in relation to food security issues and sustainable agriculture;
- c) international agreements relevant to FAO's work;
- d) the methodology of managing for results adopted by FAO and the UN system, and the related recommendations made by the IEE and FAO governing bodies that the work of the Organization should be organized around a small number of results-based Strategic Objectives that correspond to main development problems, and an enabling environment represented by Functional Objectives; and

- e) FAO's main organizational attributes, core functions derived from them and the comparative advantages identified in relation to each challenge taking into consideration the specific mandates of other international organizations (Part II.C).

43. The following proposed five Strategic Objectives represent the main areas of work in which FAO will focus its effort to achieve Organizational Outcomes that contribute to the three main goals of the Organization:

- 1) **Eradicate hunger, food insecurity and malnutrition**
- 2) **Increase and improve provision of goods and services from agriculture, forestry and fisheries in a sustainable manner**
- 3) **Reduce rural poverty**
- 4) **Enable more inclusive and efficient agricultural and food systems at local, national and international levels**
- 5) **Increase the resilience of livelihoods to threats and crises**

44. In addition to the areas of work identified for each Strategic Objective, two cross-cutting themes will be developed so as to ensure that their respective perspectives are fully integrated into the MTP and the PWB:

- a) Gender - FAO will pursue the integration of gender issues in all aspects of its work, ensuring that attention to gender equality becomes a regular feature of work on standard setting and of regional, subregional and country level programmes and projects. Support to countries needs to cover a combination of policy advice, knowledge management, institutional support, capacity development and strategic partnerships. Therefore, under all strategic objectives, gender-related issues will be addressed in a systematic way and progress made closely monitored.
- b) Governance<sup>13</sup> - The importance and diverse contributions of good governance in food and agriculture matters cut across the outcomes formulated under the five Strategic Objectives. Without improvements in governance, it would be impossible to achieve the expected outcomes at local, national, regional and/or global levels. FAO will focus on interventions that improve interactions between multiple actors, for example by facilitating institutional strengthening to create a more conducive environment to collaboration.

45. Furthermore, in line with the methodology of managing for results, a sixth Objective will cover the provision of technical knowledge, quality and services for the work of the Organization, encompassing core normative work. Functional Objectives will provide the enabling environment for outreach; information technology; governance, oversight and direction; and administration. These will be elaborated in the Medium Term Plan.

46. The Action Plans for each Strategic Objective, provided in the Medium Term Plan (see preliminary versions in Part III.C), describe the overall strategy that FAO will use to work on the issues and problems identified in each one of them. They identify the main issues selected, the way in which Core Functions will be implemented, and areas in which partnerships are needed. The Action Plans also identify and describe the Organizational Outcomes that have been selected and the indicative outputs. Indicators and targets are being formulated to measure achievement of the Organizational Outcomes and contributions to the development outcome that is associated with each Strategic Objective.

47. High-level summaries of contextual factors and the essence of planned work for each Strategic Objectives are provided below.

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<sup>13</sup> Governance relates to formal and informal rules and processes through which public and private actors articulate their interests and decisions are made, implemented and sustained.

*Strategic Objective 1: Eradicate hunger, food insecurity and malnutrition*

48. FAO will contribute to the eradication of hunger, food security and malnutrition by achieving three Organizational Outcomes:

- Member countries and their development partners make explicit political commitments and allocate resources to eradicate hunger, food insecurity and malnutrition;
- Member countries and their development partners adopt evidence-based and inclusive governance mechanisms for eradicating hunger, food insecurity and malnutrition;
- Member countries and their development partners formulate, implement, monitor and evaluate policies, programmes and investments to eradicate food insecurity and malnutrition.

49. Two necessary conditions for the eradication of persistent hunger, food insecurity and malnutrition, despite progress in overall development, food production and poverty reduction are: (i) strengthened political will and commitment, backed up by appropriate governance and accountability mechanisms; and (ii) more purposeful action in areas that have the greatest possible impact on improving people's food security and nutrition status.

50. SO1 aims at creating the necessary conditions at all levels of decision-making, in partnership with main stakeholders. Success will depend on an appropriate mix of: advocacy for hunger reduction, supported by adequate information and analysis; enhanced and evidence-based policy advice and coordination; and capacity development.

51. SO1 is expected to add value to other Strategic Objectives by: 1) assessing their relevance from a food security and nutrition perspective; and 2) ensuring that a coherent and comprehensive policy, institutional and accountability framework is in place so that the various actions to address the immediate and underlying causes of hunger, food insecurity and malnutrition are well coordinated and lead to tangible results.

52. In seeking to carry out this complex harmonization across all sectors and stakeholder groups for the greatest possible impact on the eradication of hunger, food insecurity and malnutrition at country, regional and global levels,<sup>14</sup> work will address essentially three areas: (i) the generation and promotion of *explicit political commitments* for the eradication of hunger, food insecurity and malnutrition; (ii) appropriate *governance mechanisms* at global, regional and country levels; and (iii) *accountability and monitoring* capacities to be strengthened, particularly in connection with the formulation, implementation and evaluation of sector-wide and cross-sectoral policies, programmes and investments.

*Strategic Objective 2: Increase and improve provision of goods and services from agriculture, forestry and fisheries in a sustainable manner*

53. FAO will contribute to increased and improved provision of goods and services from agriculture, forestry and fisheries in a sustainable way by achieving four Organizational Outcomes:

- Producers and natural resource managers adopt practices that increase and improve the provision of goods and services in agriculture, forestry and fisheries in a sustainable manner;
- Stakeholders in member countries strengthen governance – the laws, policies and institutions that are needed to support producers in the transition to sustainable agricultural systems;
- Stakeholders adopt and implement international governance mechanisms needed to improve and increase provision of goods and services in agriculture, forestry and fisheries in a sustainable manner;

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<sup>14</sup> The meaning and use of the terms 'hunger', 'food security', 'nutrition' and 'food and nutrition security', are clarified in the document entitled: "Coming to terms with terminology" (CFS 2012/39/4) <http://www.fao.org/docrep/meeting/026/MD776E.pdf>.

- Stakeholders make evidence-based decisions in the planning and management of agriculture and natural resources to support the transition to sustainable agriculture through monitoring, statistics, assessment and analyses.

54. Global production in agriculture has grown by about 2.5 to 3 times over the last fifty years. This was mainly due to: intensive reliance on fossil fuel and other inputs; irrigation; and, to a limited extent, expansion of agricultural lands. However, crop yield growth rates have been slowing down for many years. Current production levels are already putting enormous pressures on most agricultural production systems in the world. In many places, increases in food production have been associated with degradation of land and water systems upon which production depends. One quarter of the planet's land resources is estimated to be highly degraded, and another 8 percent moderately degraded. Unsustainable agricultural practices and land use changes are the most important causes of land degradation, as well as the loss of ecosystem services and biodiversity crucial to food production.

55. Forests are a direct source of industrial round-wood, fuel-wood and non-wood forest products and provide food and cash income for almost 1 billion of the world's poorest people. Although forests are key to soil and water protection and to mitigate potential climate change, deforestation and forest degradation remain major problems.

56. In 2008, capture fisheries and aquaculture together delivered 142 million tonnes of fish and supported the livelihoods of about 540 million people. At the same time, 32 percent of fisheries are considered depleted, the number of overexploited stocks (now 52 percent) continues to increase and climate change is causing still poorly understood shifts of fishery stocks.

57. Against this sombre assessment, the global demand for food, feed and fibre will increase substantially and the agriculture, forestry and fisheries sectors will have to meet this demand, especially in developing countries. In addition, climate change will be a likely large multiplier of risks in many parts of the world, as it is expected to alter the patterns of temperature, precipitation and river flows upon which the world's production systems depend, and to more extreme climatic events with strong negative impact on production levels, availability of natural resources and livelihoods of populations.

58. The agriculture, forestry and fisheries sectors face no other option than to make a transition towards more sustainable consumption and production systems – i.e. the only way to respond to the growing demand, while safeguarding ecosystems services on which they rely. At the same time, production increases must be compatible with diverse regional needs, potential and constraints. Meeting environmental challenges, moving towards a greener economy, ensuring distributional equity, economic resilience and sustainability of production systems are the foundation for SO2.

59. The implementation of SO2 will seek to pursue a holistic approach across sectors by promoting in particular: 1) more sustainable practices; 2) more viable governance arrangements; 3) more effective mechanisms at the international level; and 4) evidence-based decision-making, as opposed to too rigid or disjointed sectoral approaches (i.e. crops, livestock, fisheries and forestry).

60. The design of SO2 is innovative in its emphasis on: 1) the integration of work relating to the three "pillars" of sustainability (environmental, economic and social); and 2) ways to generate the wide scale transition needed for the adoption of more sustainable practices by large numbers of producers and resource managers. This scope also reflects the outcome of the RIO+20 Conference, and should serve to better explain the multiple contributions of the agriculture, forestry and fisheries sectors to the concept of sustainable production and consumption.

*Strategic Objective 3: Reduce rural poverty*

61. FAO will contribute to the reduction of rural poverty by achieving three Organizational outcomes:

- The enabling environment in member countries is improved for men and women rural small producers, family farmers, and small rural entrepreneurs to move out of poverty;
- The enabling environment in member countries is improved for agricultural growth to generate increased decent farm and non-farm rural employment opportunities for rural men, women and youth;
- Governments and their development partners formulate and implement policies and programmes that maximize positive impacts of social protection programmes on rural poverty reduction, food security and sustainable management of natural resources.

62. Rural poverty has been declining in most regions of the world. However, persistently high levels of poverty, especially among specific segments of the rural population, continue to prevent the implementation of the Global Goals of FAO. In many areas, prolonged neglect of the agricultural sector has limited its capacity to drive economic growth and failed to generate sufficient employment and income opportunities.

63. While adequate rural livelihoods are essential for food security and welfare, livelihoods in an evolving rural context are mostly derived from direct production, as well as from farm and off-farm employment. However, low productivity and poor conditions of employment are major obstacles to large numbers of people moving out of poverty.

64. Governments need to ensure that agriculture and rural development, together with rural poverty reduction remain high on their policy agendas. Such policies need to foster productivity increases among smallholders and family farmers, with a particular focus on women and youth, promote decent on- and off-farm employment conditions and opportunities, and strengthen institutional arrangements in rural areas. Other essential policy ingredients to address poverty include: facilitated access to technology and inputs, targeted support to small and family farms, cooperatives and farmers associations, especially in view of better integration into markets and production chains, social protection and productive safety nets for rural populations, and ultimately effective exit strategies from agriculture to alternative and sustainable rural and urban livelihoods.

65. SO3 takes account of the above imperatives, with emphasis on generating effective enabling environments to enable the rural poor and disadvantaged groups to escape from their current poverty trap, and formulating and implementing much improved policies. Work will focus on: (i) improved targeting of policies, policy and legal frameworks for co-management of natural resources, improved land administration, sustainable increase in productivity, enhanced service provision and inclusive producer organizations; (ii) decent farm and non-farm rural employment opportunities for men, women and youth; and (iii) maximized synergies between social protection measures and rural development programmes.

66. At the same time, several cross cutting themes would require attention: gender equality and gender sensitive approaches; support to disadvantaged groups (e.g. youth, the elderly and indigenous people); factoring of diverse agro-ecological, socio-cultural, economic, and political dimensions; evidence-based information, including lessons learned and impact analysis of past policies; nutrition security *via* nutrition-sensitive policies, programmes and investments across sectors; governance systems at all levels, so that poverty reduction efforts can be sustainable and effective.

*Strategic Objective 4: Enable more inclusive and efficient agricultural and food systems at local, national and international levels*

67. FAO will contribute to more inclusive and efficient agricultural and food systems at local, national and international levels by achieving three Organizational Outcomes:

- Policies, regulatory frameworks and public goods enhance inclusiveness and efficiency of food and agriculture systems;
- Enhanced public-private collaboration in addressing the challenges and risks faced by smaller and disadvantaged participants in food and agricultural systems;
- International agreements and mechanisms promote inclusive and efficient markets.<sup>15</sup>

68. Food and agricultural systems in the world are undergoing dramatic changes, becoming increasingly globalized, concentrated, industrialized and science-intensive. These changes generally facilitate overall growth and increase efficiency, but at the same time may create competitive barriers for small and medium producers and processors and therefore may significantly downgrade lifestyles and employment opportunities in rural areas. These far-ranging changes imply that policy-makers and other stakeholders adopt an integral perspective of food systems and supply chains, so as to match their evolution as closely as possible with overall goals of food security, reduction of rural poverty and sustainable use of natural resources.

69. At the same time, there is increasing pressure on major resources for food and agriculture production, while expanding and diversified demands by consumers must be met, adding great urgency to making present and fast-evolving agricultural systems operate in a safe and sustainable manner. It is also morally and politically imperative to make food and agricultural systems more inclusive, so that all participants are included and empowered.

70. Work towards SO4 should benefit from the Organization's substantial evidence base and experience of the main factors affecting inclusiveness and efficiency of food and agricultural systems. Other assets include its particularly strong expertise related to trends analysis and projections; policy advice on appropriate responses at country level, including market access; and governance. Policy reforms and capacity development in the context of SO4 must aim at: establishing more effective enabling environments at the national level; appropriately engaging the private sector;<sup>16</sup> and ensuring that international markets are fair and efficient. Concerns about institutional development and the inclusiveness and efficiency post-production activities are also to be addressed.

71. In the context of the Organizational Outcomes of SO4, more inclusive and efficient food and agricultural systems would greatly depend on targeted actions addressing: standards; regulatory services; technologies; functioning of markets; public and private sector institutions, relationships and joint investment efforts; and instruments affecting trade.

*Strategic Objective 5: Increase the resilience of livelihoods to threats and crises*

72. FAO will contribute to the increased resilience of livelihoods to threats and crises through four Organizational Outcomes:

- Legal, policy and institutional systems and regulatory frameworks are enhanced for disaster and crisis risk management for agriculture, nutrition, food security and food safety;
- Known and emerging food, nutrition and agriculture threats are identified, forecasted, analyzed, monitored and trigger appropriate decisions and actions;
- Capacities are strengthened for prevention, as well as for impact mitigation to reduce the probability and severity of disasters and crises that threaten food and agriculture systems;

<sup>15</sup> The term "international agreements" refers to frameworks, guidelines and codes that promote market fairness, inclusion and efficiency.

<sup>16</sup> The private sector is that part of the economy that is not State-controlled, and is run by individuals and companies for profit. It includes private companies, as well as cooperatives and producer organizations.

- Disasters and crises affecting agriculture and food systems are effectively and accountably managed, including preparedness, robust responses and effective post-crisis transitions.

73. “Resilience” is generally understood as the ability to prevent disasters and crises, as well as to anticipate, absorb, accommodate or recover from them in a timely, efficient and sustainable manner. This includes protecting, restoring and improving livelihoods systems in the face of threats that impact agriculture, nutrition, food security and food safety (and related public health).

74. Resilience and vulnerability are two sides of the same coin. Resilience reflects capacities to manage crises; vulnerability is the degree of susceptibility to shocks. The resilience of communities is particularly important when institutions are challenged for example, in protracted crises, violent conflicts and post-crisis transitions.

75. Resilient livelihoods systems can withstand threats or adapt to new pathways in times of crisis. This resilience is the first - and sometimes only - line of defence for vulnerable smallholders when threats become crises, such as when natural hazards (e.g. hurricanes, droughts, locust infestations) overwhelm a society’s capacities to cope, transforming the threat into disaster. Those who have limited capacity to buffer impacts of a crisis risk life-long, inter-generational consequences, when the marginally food secure slip into malnutrition and the impoverished fall into destitution.

76. Capacities to absorb and manage shocks are often depleted by the frequency and magnitude of crises and their cumulative effects. Recurrent, multi-faceted crises have eroded livelihoods and triggered unsustainable natural resource use, with deleterious consequences for millions of poor and marginalized people. This is compounded by inadequate institutional environments that otherwise should protect and preserve livelihoods.

77. SO5 embodies the need to reduce risks and promote preparedness and recovery arrangements so as to ensure maximum synergies among humanitarian, development and investment efforts, while also building capacities to handle the full range of risk and crisis management actions and related transitions. One key aspect is in fact investment to promote resilient livelihoods and peaceful societies, while generating growth. Humanitarian action should focus primarily on saving lives and livelihoods, while development programmes should incorporate risk reduction measures. Prevention, mitigation, preparedness, response, recovery and rehabilitation are key dimensions addressed under SO5 in an as holistic manner as possible.

78. There are complementarities, as well as reasonably clear boundaries between SO5 and other Strategic Objectives. In times of crises and disasters, it is important to anchor related actions in broader development objectives and promote resilience as part of commitments to combating hunger, food insecurity and malnutrition (SO1). SO5 also links up to: ecosystem sustainability and climate change mitigation and adaptation (SO2); poverty reduction/alleviation and safety nets (SO3); and market and private sector viability (SO4). SO1 and SO4 contribute to decreasing the longer-term risks of, and stresses brought about by global food price volatility and food safety emergencies, while SO5 focuses on risk reduction for disasters and crises.

### III. Part III: Outline of Medium Term Plan 2014-17

#### A. FAO's results-based framework

##### *Context*

79. FAO's vision and Global Goals have been approved by the governing bodies as part of the current Strategic Framework, and have not been altered in this review (see Part II.A).

80. At its Thirty-sixth Session in November 2009, the Conference established<sup>17</sup> a renewed results-based programme and budget approach for FAO consistent with actions arising from the Immediate Plan of Action on priorities and programmes for the Organization. The four-year Medium Term Plan applies the principles and major elements of this enhanced results-based approach, which, as set forth in the Strategic Framework, comprise:

- **Strategic Objectives** representing the development outcomes contributing to the achievement of the Global Goals;
- **Functional Objectives** providing the enabling environment for FAO's work;
- **Core Functions** as the critical means of action to be employed by FAO to achieve results; and
- **Organizational Outcomes** (previously called "Organizational Results") defining the outcome of FAO's work as measured by **indicators and targets**, contributing to the objectives.

81. Based on the Strategic Thinking Process initiated in January 2012, as well as experience with the results-based approach during 2010-11, several areas of improvement are being incorporated into the Medium Term Plan 2014-17 now under preparation. These relate to: 1) a reduced number of more cross-cutting and focussed Strategic Objectives and Organizational Outcomes designed with a clear line of sight from global goals through objectives to outcomes and outputs as measured by indicators and targets; 2) the introduction of an Objective to ensure technical knowledge, quality and services by departments; 3) specific attention to two cross-cutting areas of work, on gender and governance, mainstreamed into all the Strategic Objectives; 4) adjustment of the Functional Objectives; and 5) review and more rigorous application of the Core Functions.

##### *Strategic Objectives*

82. The Strategic Objectives (SOs) express the development outcomes, in countries, regions and globally, expected to be achieved over a long-term (ten-year) timeframe by Members based on FAO's value-added interventions. The Strategic Objectives defined in the reviewed Strategic Framework have several features that will improve their results focus: they are more directly linked to the Global Goals; they are fewer in number (five compared with 11 in the current Strategic Framework); they will have indicators of achievement (see below); and concrete Action Plans will describe the overall approach that FAO will use to tackle the issues and problems identified under the Strategic Objectives. The five Strategic Objectives are:

- 1) **Eradicate hunger, food insecurity and malnutrition**
- 2) **Increase and improve provision of goods and services from agriculture, forestry and fisheries in a sustainable manner**
- 3) **Reduce rural poverty**
- 4) **Enable more inclusive and efficient agricultural and food systems at local, national and international levels**
- 5) **Increase the resilience of livelihoods to threats and crises**

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<sup>17</sup> CR 10/2009

83. These SOs and the innovations highlighted above are being introduced in the MTP under preparation.

#### *Action Plans*

84. The Action Plans describe the overall strategy that FAO will use to work on the issues and problems identified for each Strategic Objective, as elaborated in Part III.C. The Action Plans will be implemented as corporate programmes complemented by regional programmatic initiatives. Each Action Plan will be guided by a Strategic Objective Programme Leader.

#### *Technical Knowledge, Quality and Services*

85. A sixth Objective will cover the provision of technical knowledge, quality and services for the work of the Organization, encompassing core normative work.

86. The departments will contribute under the sixth Objective mentioned above to specific areas of technical, normative and standard setting work, including servicing the Technical Committees. They will also manage the technical networks that will be organized along main disciplinary lines across all locations as an instrument for human resources capacity development. This will be in addition to staff in the technical departments at headquarters being assigned for part of their time to work under the overall guidance and supervision of the Programme Leaders, as required in direct support of achieving the respective Strategic Objective under the Programme Leaders' responsibility.

#### *Cross-cutting themes on Gender and Governance*

87. As highlighted in Part II.D, the Action Plans will be developed and implemented with due attention to two cross-cutting themes on gender and governance, so as to ensure that their respective perspectives and approaches are fully integrated into the programmatic work of the Organization. Areas of focus arising from these two cross-cutting themes will be developed specifically for each Strategic Objective, and the related Action Plans will address gender- and governance-related aspects with the help of measurable indicators or specific outputs within the new results framework. This will ensure full alignment of gender and governance requirements at various phases: development, implementation, monitoring and reporting.

88. This approach provides greater transparency and assurance for the integration of gender and governance in all the activities of the Organization. It will also be consistent with the decision<sup>18</sup> of the Conference, which in introducing the revised programme and budgeting system for the Organization in 2009, decided that: "*Gender will be fully integrated into the Strategic Framework and Medium Term Plan, and will no longer have a separate Gender and Development Plan of Action*"

#### *Functional Objectives*

89. The Functional Objectives (FOs) are an essential part of the enabling environment within FAO to support the achievement of the Strategic Objectives. They provide for effective delivery of services, with due attention to efficiency.

90. The MTP 2010-13 contained two FOs: FOY, aiming at efficient and effective administration and housing the administrative budget of the Organization; and FOX: "Effective collaboration with Members states and stakeholders", aiming at honing strategic direction, leveraging and focusing on comparative advantage, and more effectively governing and overseeing the totality of FAO operations.

91. In the MTP 2014-17, the FO on efficient and effective administration (currently FOY) will be maintained, clearly identifying the resources devoted to administrative work<sup>19</sup> and providing performance indicators related to efficiency and effectiveness.

92. FOX will be reformulated with a clearer articulation of the enabling services provided, including the resources allocated to areas such as information technology, support to member countries, oversight, and advocacy, communication and partnerships. This will *inter alia* address

<sup>18</sup> CR 10/2009 operative paragraph 1(b) (ii)

<sup>19</sup> CR 10/2009 operative paragraph 1(c)

concerns expressed by Members in the past that information related to FOX was unclear in comparison with the Strategic Objectives.<sup>20</sup>

### *Core Functions*

93. The Core Functions, as the critical means of action to be employed by FAO to achieve results, represent the types of interventions to which the Organization will give priority in its plan of action. The concepts of comparative advantages and core functions have been extensively addressed in a number of institutional documents, such as the Strategic Framework 2000-2015 and the Medium Term Plan 2010-2013. The concept of Core Function, as well as that of comparative advantage, has been revisited through the Strategic Thinking Process. A revised set of proposed seven core functions is described in Part II.C.

### *Organizational Outcomes*

94. Under the Strategic Objectives, more specific Organizational Outcomes are to be measured by indicators with targets expected to be achieved over a four-year period through the use by countries and partners of FAO's products and services. In the outline MTP 2014-17 based on the five preliminary action plans, the number of these Organizational Outcomes under the Strategic Objectives is reduced significantly, providing the basis for more focus and prioritization.

95. It is at this level that the priorities expressed by the Regional Conferences and Technical Committee are taken directly into account in formulating areas of emphasis and outputs to be produced. Furthermore, Country Programming Frameworks, which are developed together with the concerned governments to focus FAO's efforts on well-identified national priorities, also inform the development of subregional and regional areas of priority action, including via the Regional Conferences and specialised Regional Commissions. This bottom up approach has fed into the Strategic Thinking Process and permeates the formulation of the Strategic Objectives and Organizational Outcomes.

### *Indicators and targets*

96. In reviewing the MTP 2010-13, the Council and Conference requested the Secretariat to continue to improve the formulation of indicators and targets of achievement, so as to provide a sound basis for performance management and reporting. There were several issues to be addressed in this regard: the current Strategic Objectives were not formulated with related indicators; the indicators at Organizational Result level generally are not indicators of "outcome" or change as the result of FAO's actions; more attention was needed to formulate measurable indicators with baselines; and the cost of measuring performance must be balanced with the benefits.

97. These issues are being systematically tackled through a consultative and collaborative process during preparation of the MTP 2014-17, including revision of the corporate results chain model to clarify the impact pathways in which FAO contributes to development outcomes at the Strategic Objective level. The associated work will continue to progress in 2012-13.

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<sup>20</sup> CL 141/8 paragraph 7 and CL 141/9 paragraph 35, with information subsequently provided in C 2011/3 - Information Note no. 2

98. The following table encapsulates the main components of the reviewed Strategic Framework and Medium Term Plan 2014-17:

*FAO's results framework: the main components*

**FAOs vision**

A world free of hunger and malnutrition where food and agriculture contributes to improving the living standards of all, especially the poorest, in an economically, socially and environmentally sustainable manner.

The three **Global Goals of Members**:

- reduction of the absolute number of people suffering from hunger, progressively ensuring a world in which people at all times have sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life;
- elimination of poverty and the driving forward of economic and social progress for all, with increased food production, enhanced rural development and sustainable livelihoods; and
- sustainable management and utilization of natural resources, including land, water, air, climate and genetic resources for the benefit of present and future generations.

**Strategic Objectives**

1. Eradicate hunger, food insecurity and malnutrition
2. Increase and improve provision of goods and services from agriculture, forestry and fisheries in a sustainable manner
3. Reduce rural poverty
4. Enable more inclusive and efficient agricultural and food systems at local, national and international levels
5. Increase the resilience of livelihoods to threats and crises

**Additional objective**

Technical Quality, Knowledge and Services

**Cross-cutting themes**

- Gender
- Governance

**Core Functions**

1. facilitate and support countries in the development and implementation of normative and standard-setting instruments, such as international agreements, codes of conduct, technical standards and others;
2. assemble, analyze, monitor and improve access to data and information, in areas related to FAO's mandate;
3. facilitate, promote and support policy dialogue at global, regional and country levels;
4. advise and support capacity development at country and regional levels to prepare, implement, monitor and evaluate evidence-based policies, investments and programmes;
5. advise and support activities that assemble, disseminate and improve the uptake of knowledge, technologies and good practices in the areas of FAO's mandate;
6. facilitate partnerships for food and nutrition security, agriculture and rural development, between governments, development partners, civil society and the private sector;
7. advocate and communicate at national, regional and global levels, in areas of FAO's mandate.

**Functional Objectives**

- Administration
- Other enabling areas, e.g. Information Technology, support to Member Nations, and communication, partnerships and advocacy

## **B. Implementation measures**

99. The new results framework stemming from the Strategic Thinking Process and the transformational measures outlined in CL 145/3 are designed to ensure a coherent and robust system allowing the Organization to focus on its Strategic Objectives in the most efficient and effective manner and with clear lines of accountability.

100. One important element of this system is the budgetary chapter structure. Not only is this the structure against which the Conference approves the biennial budget, it also drives the planning, monitoring and reporting for the biennium. In addition to providing a transparent framework for the delivery and impact of the Strategic Objectives, the budgetary chapter structure also reflects the importance of FAO's knowledge and standard-setting work. The new budgetary chapter structure will be developed for the PWB 2014-15 aimed at presenting the planned use of resources in a clear and coherent manner including due accountability.

101. While being work in progress, the budgetary chapter structure for the PWB 2014-15 flowing from the reviewed Strategic Framework and the MTP under development is expected to be delineated with budgetary chapters dedicated to the following:

- Strategic Objectives – specific chapters housing the resources for implementation of the Action Plans under the five Strategic Objectives;
- Technical Quality, Knowledge and Services, housing *inter alia* core technical leadership, normative activities and quality assurance;
- Functional Objectives, with a chapter for the current FOY and a clearer presentation of the current FOX;
- Contingency, Capital Expenditure and Security Expenditure, respectively;
- Technical Cooperation Programme (TCP) and the FAORs, respectively

102. A matrix-style management approach was already introduced in 2010-13, with managers having responsibilities both within the organizational structure and within the results framework; resources, however, were planned and aligned by organizational structure. For 2014-17, an important shift will take place, where Strategic Objective Programme Leaders will have full responsibility for the relevant Strategic Objective Action Plans, including the planning of resource requirements.

103. Technical Quality, Knowledge and Services will be under the accountability of the heads of department responsible for the relevant technical knowledge and services. They will be responsible for planning, budgeting, monitoring and reporting the work, drawing on staff time under their direct supervision.

104. While the TCP and the FAO Representations contribute to the achievement of the Strategic Objectives,<sup>21</sup> their resources will remain in separate chapters as they are not under the direct planning and managerial control of the Strategic Objective Programme Leaders.

105. The Functional Objectives providing the enabling environment will be under the responsibility of the relevant corporate business owners. The institutional strengthening measures and transformational changes being introduced in the current biennium will help ensure that organizational structures and functional responsibilities are better aligned.<sup>22</sup>

## **C. Strategic Objective Action Plans**

### *Introduction*

106. The Action Plans describe the overall strategy that FAO will use to work on the issues and problems identified for each Strategic Objective. They set out the main issues selected, the way in which Core Functions will be applied and identify areas in which partnerships are needed to achieve the Organizational Outcomes that have been selected with indicative outputs. Indicators and targets are being formulated to measure achievement of the Organizational Outcomes and contributions to the development outcome that is associated with each Strategic Objective. The Action Plans will include activities to be developed at FAO headquarters and in the field by different organizational units individually or in collaboration between two or more units.

<sup>21</sup> CL 145/3 paragraphs 15-17 and CL 145/8

<sup>22</sup> CL 145/3 Parts II and III

107. The implementation of the Action Plans will be based on the application of the seven Core Functions which are the main instruments of FAO's work. The emphasis and relative importance with which each Core Function is applied will depend on the specific characteristics of planned outputs and related activities.

108. Action Plans are to include Programmatic Regional Initiatives. These initiatives represent focussed efforts to address a main theme of the Strategic Objective and a related priority clearly identified by one of the Regional Conferences. Their use is being tried out in 2012-13 through the Multi-disciplinary Fund.<sup>23</sup> It is contemplated that each Action Plan will include at least two Programmatic Regional Initiatives.

109. In the PWB 2014-15, corporate Programmes will be organized for each Strategic Objective in order to: oversee the implementation of Action Plans, provide conceptual leadership, participate in the implementation, collaborate in the mobilization of external resources and provide overall institutional accountability in regards to meeting the targets defined for each Organizational Outcome.

110. The Action Plans will also serve as the impact focus areas foreseen in CR 10/2009, i.e. priority areas to guide mobilization of extrabudgetary resources, facilitating oversight of extrabudgetary resources in key impact areas and increasing coherence between activities financed by the Regular Programme and extrabudgetary resources.

### ***Strategic Objective 1: Eradicate hunger, food insecurity and malnutrition***

#### *Action Plan (preliminary version)*

#### **Context and rationale**

111. There is sufficient capacity in the world to produce enough food to feed everyone adequately; nevertheless, in spite of progress made over the last two decades, 870 million people still suffer from chronic hunger. Among children, it is estimated that one hundred seventy-one million under five years of age are chronically malnourished (stunted), almost 104 million are underweight, and about 55 million are acutely malnourished (wasted). Furthermore, micronutrient deficiencies, or "hidden hunger," affect over two billion people worldwide, impeding human and socio-economic development and contributing to the vicious cycle of malnutrition and underdevelopment. At the same time, an estimated 1.4 billion people are overweight and 500 million are obese. Beyond the ethical dimensions of this complex problem, the human, social and economic costs to society at large are enormous in terms of lost productivity, health, well-being, decreased learning ability and reduced fulfilment of human potential.

112. The persistence of hunger and malnutrition is all the more hard to accept in the face of major strides made in areas such as economic growth, science and technology, and food availability. What is needed is much stronger commitment, more purposeful and coherent action across sectors and various stakeholder groups, and greater accountability. This also implies that food and nutrition security objectives, and the required actions, are fully factored into development strategies, properly implemented and adequately funded.

113. This endeavour needs to involve a multitude of stakeholders, while taking account of new, and not yet fully understood challenges: e.g. the impact of globalization, rapid urbanization and transformation of food and agricultural systems; and widespread lifestyle changes; climate change and other threats to the environment; technological and scientific advances that change the nature of communication, production and distribution of food and agricultural commodities; and the volatility of food and energy prices.

114. Basic premises for such a framework for action include a common understanding of problems and solutions, the availability of reliable data and information, adequate capacity in the analysis, planning and implementation of policies and programmes, and effective accountability systems with systematic progress monitoring and impact evaluation. It also requires that inclusive, transparent and rights-based institutional mechanisms and governance systems are in place and are sustainable.

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<sup>23</sup> CL 145/3 Part II.C

## **Main factors underpinning the design of SO1**

### *Political commitment*

115. Over the past two decades, leaders and decision makers have made pledges at various high-level events to reduce hunger, food insecurity and malnutrition, while food security has been put on top of the agenda of regional, sub-regional and global institutions and country groupings (such as the G20 and the G8). The creation of the UN High Level Task Force and the reform of the Committee on World Food Security (CFS) are two key initiatives which underline the importance of food security in the global and regional development agendas. However, the reality on the ground is complex, while commitment, action and resource allocation by the relevant stakeholders and partners is insufficient or too erratic. In this light, the UN Secretary General called upon leaders gathered at the Rio+20 Summit to take up the “Zero Hunger Challenge”, a call that was endorsed by the UN Rome-Based Agencies, UNICEF and the World Bank. SO1 should address in the first instance how to generate stronger political commitment and capacity to mobilize resources at all levels, but also effective partnerships within and among countries, and with international organizations, civil society and the private sector.

116. Commitments should include more explicit food and nutrition security objectives, policies and programmes and monitoring and accountability mechanisms in the national strategies, policies and programmes aimed at promoting human wellbeing and broad-based socio-economic development. Firm commitments must also be made to improving diets and raising levels of nutrition, while improving the status of women, children, and poor and vulnerable population groups.

### *Common understanding of problems and solutions*

117. The economy overall, and the agriculture, forestry, fisheries, social and other sectors can contribute in multiple ways to food and nutrition security. These interactions must be better understood by leaders, decision-makers and other stakeholders. Hunger reduction and food security are often seen as depending almost exclusively on food production or food self-sufficiency, while access to food and nutrition aspects are not receiving appropriate attention. There is often isolated, fragmented or non-existent information regarding food security and nutrition situations, the actions taken in different sectors by a multiplicity of stakeholders, and their impact. SO1 should contribute to generating essential data, statistics and information and a solid common understanding of problems and solutions.

118. An integral part of eradicating hunger, food insecurity and malnutrition in a sustained manner is the exchange of knowledge and experiences between countries, where hunger and malnutrition are not so distant memories and countries where hunger and extreme poverty are still menacing realities. Significant potential exists to further bridge technological gaps, including *via* South-South cooperation and other forms of knowledge exchange.

### *Governance mechanisms and coordination*

119. Food security is a multi-dimensional concept and includes dimensions of food availability, access, stability and utilization. Similarly, good nutrition depends on effective actions across sectors, including improving access to a diverse diet, appropriate care and feeding practices, and adequate health and sanitation. Hence, progress in this broad field depends on effective governance systems based on multi-disciplinarity and the involvement of many stakeholders, with participation, transparency, equity and accountability as key principles. Hence, improved food and nutrition security governance mechanisms should lead to inclusive, transparent, accountable and evidence-based policy processes, supported by appropriate legislation and well-functioning institutions.

120. Current major challenges related to high and volatile food prices, natural resource degradation, globalization, urbanization and climate change are just a few examples of where strengthened governance mechanisms and effective coordination can make a difference. Clear-cut examples of improving food security and nutrition governance at global level are: the UN High-Level Task Force on the Global Food Security Crisis (HLTF), the UN Standing Committee on Nutrition (UNSCN) and most importantly, the Committee on World Food Security (CFS).

*Alignment of policies, programmes and investments*

121. Gaps, inconsistencies, fragmentation, and contradictions in the existing portfolio of macro-economic, sector and cross-sector policies and programmes, as well as under-investment in key areas, must be addressed. Development and poverty reduction policies at the global, regional and national levels, but also sub-national strategies and programmes need to be designed and coordinated using a food security and nutrition lens to ensure relevance and purposeful action towards the desired impact. Besides explicit food and nutrition security objectives, policies, programmes and investments should be backed by information systems and adequate mechanisms for monitoring progress and evaluating impact.

122. Policy decisions need to be followed-up by concrete implementation actions, backed-up by resource allocation with appropriate incentives for targeted investments. Policy, programme and investment frameworks that apply a ‘twin-track approach’ to the eradication of hunger, food insecurity and malnutrition must be adopted, paying due attention to the role of social protection measures to address consumption shortfalls in tandem with actions that make the poor and vulnerable more resilient, self-reliant, food secure and well-nourished in the short- and long-term.

*The contribution of food and agricultural systems to nutrition*

123. Nutrition-specific challenges are worth highlighting, in particular in the context of the new “strategy and vision for FAO’s work in nutrition”. To ensure good nutrition, access to an adequate quantity and quality of food, especially by young children, must be combined with good care and feeding practices (including nutritious food choices for adults), along with access to health services and a healthy environment. Moreover, the negative effects on mental capacities, physical stature, and labour productivity of chronic malnutrition and micronutrient deficiencies are often hidden in the first few years of life, and may become fully apparent only years later. Hence, this may reduce political urgency to take action.

124. Governments, the private sector, and development agencies may see nutritional status as an indicator, rather than as a major design factor and key outcome of social and economic development policies. Decision makers may also view malnutrition primarily as a health-related issue, rather than a challenge that must also be addressed through access to food and balanced diets. This could lead to over-emphasis on short term interventions at the expense of longer term objectives.

125. Eradicating malnutrition thus requires strengthening political commitment and improving knowledge, policy and program coordination, and stakeholders’ capacity to address the basic causes of poor nutrition. In this context, policies and programmes to strengthen the contribution of the food and agriculture systems to improving nutritional outcomes should be considered. Governments, the private sector, and development agencies often do not fully exploit the contributions of food and agricultural systems to eradicating malnutrition, especially its contribution to improving food quality and diets. It is important to bring the full potential of food and agricultural systems to bear on the problem of malnutrition, taking opportunities that exist so systems increase their capacity to produce good nutritional outcomes, joining the contributions of food and agriculture to those made in the areas of health and care. Policies, programmes, and investments can take actions across the entire system, from production to marketing, storage, processing, and consumption, and improve the links with other sectors, governance processes, and the policy environment, to shape more effective nutrition-sensitive food and agricultural systems. At the same time, policies and programmes to combat over-nutrition which leads to health problems should also be supported.

*Weak organizational and individual capacities and addressing the gender gap*

126. Organizational and individual capacities must be strengthened to ensure that policies, programmes, investments and legislation are implemented effectively across different technical domains of work. Providing women with equal access to assets, productive resources and opportunities will generate significant gains in the food and agriculture sectors and for society. Appropriate policy actions, backed by targeted action, can help close the gender gap in agriculture and rural labour markets.

*Urban food security and nutrition*

127. Given rapid urbanization around the world, food insecurity and malnutrition concerns in urban areas need to be addressed as much as in rural areas. Policies and investment programmes need to fully address these needs, while also strengthening urban-rural linkages and ensuring a sustainable use of natural resources for both urban and rural populations.

**Action Plan**

128. Three Organizational Outcomes have been formulated to implement SO1:

- a) Member countries and their development partners make explicit political commitments and allocate resources to eradicate hunger, food insecurity and malnutrition;
- b) Member countries and their development partners adopt evidence-based and inclusive governance mechanisms for eradicating hunger, food insecurity and malnutrition; and
- c) Member countries and their development partners formulate, implement, monitor and evaluate policies, programmes and investments to eradicate food insecurity and malnutrition.

129. These outcomes are predicated on FAO's unique capacity to interact and work with countries and development partners, especially as an independent, inter-governmental but also multi-stakeholder forum for debate and negotiation of all issues related to food, nutrition and agriculture. This includes FAO's role in support of the multi-partner CFS, as well as in convening and supporting technical and policy-setting meetings (e.g. COAG, COFI and COFO). Advocacy and catalytic action for strengthening food and nutrition security is also well served by FAO's presence in countries and regions, as well as by its global public goods, *inter alia* FAOSTAT and the flagship publications (such as the "State of ..." documents), backed by strong communication campaigns.

130. As the UN Specialized Agency mandated to collect, analyze, interpret and disseminate information, and knowledge related to food and agriculture, FAO should also provide the necessary evidence-based analysis leading to political commitments, and advocacy.

131. FAO's capacity to work as an 'honest broker' within a number of technical sectors relevant to food security and nutrition concerns, should facilitate policy harmonization across these sectors, and guide transparent and accountable governance mechanisms (e.g. via the elaboration and negotiation of the Voluntary Guidelines on the Progressive Realization of the Right to Food, and on Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security).

132. FAO's multi-disciplinary expertise areas related to food and nutrition security, including in agriculture, forestry, fisheries, sustainable rural development, combined with its reputation as a trusted partner of governments and other development partners, is a major asset in respect of the third Organizational Outcome. Its established capacity to disseminate and share expertise as a global knowledge Organization is a major comparative advantage in developing institutional and individual-level capacities at national, regional and global levels.

133. The Organizational Outcomes and their constituent Outputs are elaborated further below.

Organizational Outcome 1: Member countries and their development partners make explicit political commitments and allocate resources to eradicate hunger, food insecurity and malnutrition.

134. Political commitment is a prerequisite to appropriate policies being put in place, and investments made to enable people to realize their right to adequate food, both in the short term through various social protection instruments, and in the medium and long term, through measures that empower poor and vulnerable people to be self-reliant, resilient, food secure and well-nourished. Political commitment not only refers to the responsibility of government, but also of civil society, the private sector and the wider development community.

135. Building political commitment clearly requires vigorous awareness-raising and advocacy work by a range of stakeholders, promoting a solid and common understanding of issues, and offering policy options for addressing underlying and immediate causes of hunger, food insecurity and malnutrition. Advocacy should be based on solid evidence which requires information, statistics and

analysis presented in a way that is understandable, compelling and actionable on how different sectors can make a positive contribution.

Output 1.1: Increased awareness among decision makers, development partners and society at large of the urgent need to take decisive action to eradicate hunger, food insecurity and malnutrition.

136. This will be achieved largely as a result of evidence-based advocacy and communication initiatives, including the organization of, and participation in high-level global and regional conferences and alliances, where firm commitments on goals, targets and actions can be made. Areas of work will include among others:

- a) Support to the Committee on World Food Security (CFS) as the most pertinent global platform;
- b) Proactive involvement with other multilateral initiatives and pronouncements: the UN Standing Committee on Nutrition (UN-SCN), the UN High-Level Task Force (HLTF), the Scaling Up Nutrition initiative (SUN), the Renewed Effort Against Child Hunger (REACH) initiative, the post-2015 development agenda, the New Alliance for Food Security and Nutrition (G8), the UN Zero Hunger Challenge, follow-up to Rio+20);
- c) The same type of involvement at summits and high level meetings, including the International Conference on Nutrition twenty-one years later (ICN+21) and the International Conference on Forests for Food Security, also in 2013;
- d) Regional- and national-level meetings on nutrition-related issues, with a prime focus on developing nutrition-sensitive food and agricultural systems;
- e) Awareness raising on the specific contributions of livestock, fisheries, natural resources management, forests and trees on farms, to food and nutrition security;
- f) Communication on hunger, food insecurity and malnutrition through media, websites (incl. social media, press), knowledge sharing platforms;
- g) Interaction with Regional Economic Communities (RECs) and regional technical cooperation institutions with a view to strengthening commitment to food and nutrition security;
- h) Support to effective national and regional Alliances Against Hunger and Malnutrition on the basis of the CFS principles of multi-stakeholder participation;
- i) Dissemination of advocacy tools (briefs, guidelines, directives, etc) particularly on the linkages between nutrition and the food, agriculture, livestock, fisheries and forestry sectors.

Output 1.2: Member countries and other stakeholders have a common understanding of the multiple dimensions and causes of hunger, food insecurity and malnutrition and on strategic options for resolving underlying problems.

137. This will be achieved by providing solid information and evidence to understand the magnitude and causes of hunger, food insecurity and malnutrition at all levels. Work will include generation and dissemination of data, statistics, information and analyses. In particular, the Organization should seek:

- a) To make accessible good quality data, standards and statistics that help understanding the underlying causes of food and nutrition insecurity (including the consumption, composition and safety of foods), and the appropriate solutions;
- b) To review and analyse current and emerging issues – as well as long term trends – that impact on food security and nutrition and to reflect such analytical work in the global development agenda (Global Perspective Studies, Situation and Outlook Reports, FAO flagship publications and background documents prepared for the ICN+21);
- c) To provide methodological support to food security and nutrition situation assessments and analysis in both humanitarian and development contexts, including the work of GIEWS, EMPRES and the ISFNS;

- d) To convey how the agriculture, forestry, fisheries and other sectors contribute to food and nutrition security and how policies, programmes and investments in these sectors can be nutrition-sensitive and make a positive contribution to the eradication of hunger, food insecurity and malnutrition;
- e) To assist with food security and nutrition monitoring and evaluation, including impact evaluation of policies and programmes, and analysis of how nutrition-specific actions in various productive sectors contribute to the desired impact;
- f) To strengthen data generation and collation initiatives through partnerships with government and other stakeholders across different sectors (examples: Global Soil Partnership; LandPortal.info; World Agriculture Watch; Collaborative Partnership on Forests);
- g) To support the High Level Panel of Experts (HLPE) on food security and nutrition; and
- h) To facilitate global access, use and sharing of knowledge products and services by members and partners.

Output 1.3: Stakeholders at all levels contribute to formulation and negotiation of frameworks, policies and programmes aimed at accelerating the reduction of hunger, food insecurity and malnutrition.

138. This Output in particular embodies FAO's role as a neutral forum to facilitate dialogue and negotiation on common frameworks, policies and programmes, including 'voluntary guidelines', standards, and codes of conduct that support action on hunger, food insecurity and malnutrition. This work will also ensure that the frameworks, policies and programmes that are relevant to the other SOs contribute positively to the achievement of food and nutrition security.

139. Examples of specific areas of work include:

- a) Support to the CFS Global Strategic Framework for Food Security and Nutrition, guidance on the implementation of the Voluntary Guidelines on the Progressive Realisation of the Right to Food, and on Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security;
- b) The development of common accountability frameworks within the UN (e.g. support to development of Sustainable Development Goals [SDGs], and the post MDG framework, score cards and other monitoring instruments.)
- c) Support to the implementation of Codes of Conduct and standards in different sectors of relevance to food and nutrition security;
- d) The formulation, negotiation, implementation and monitoring of political outcomes of the ICN+21;
- e) Facilitation of dialogue among countries at regional and international level, to share lessons learned and good practices;
- f) Formulation, negotiation and implementation of a social agenda for livestock sector development;
- g) Incorporation of nutrition considerations into policies, programmes and investments in the food, agriculture, fisheries and forestry sectors.

Organizational Outcome 2: Member countries and their development partners adopt evidence-based and inclusive governance mechanisms for eradicating hunger, food insecurity and malnutrition.

140. Enacting policies towards the eradication of hunger, food insecurity and malnutrition requires that the interests of the poor, the most vulnerable and the marginalized are adequately represented so as to ensure that their needs and concerns are addressed, that progress is monitored, lessons are learned and decision makers are held accountable.

141. Global, regional, national and local governance mechanisms in relation to the agriculture, forestry and fisheries sectors should provide adequate space for meaningful and active participation of

civil society, private sector, and small producer organizations. Due links are to be ensured with the governance mechanisms pertinent to other SOs and in particular SO5 aimed at building resilience to crises and ensuring linkages between relief, rehabilitation and development programmes.

Output 2.1: Institutional and legal frameworks are in place to ensure that food and nutrition security policy processes and governance mechanisms are evidence-based, inclusive and respectful of human rights principles.

142. Work in support of the above will include:

- a) Promoting governance systems which ensure the implementation of agreements such as the Voluntary guidelines on the Right to Food, and on Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security; and on Responsible Investment in Agriculture, and the Agenda for Action for Food Security in Countries in Protracted Crisis;
- b) Review, strengthening and/or development of institutional and legal frameworks for food and nutrition security;
- c) Strengthening and facilitating regional and country-level partnerships and alliances against hunger and malnutrition based on the same principles of participation as in the CFS;
- d) Assisting governments in including explicit and measurable objectives for the improvement of diets, food safety and nutrition in broader policies and programmes, while ensuring inclusiveness, accountability and sustainability.

Output 2.2: The systems and the organizational and human resource capacities that support strengthened food security and nutrition governance mechanisms are in place.

143. This covers support to systems of improved food security and nutrition governance, as well as organizational and individual resource capacities, ensuring in particular that decision-making is evidence-based and that policy processes are inclusive and transparent. Main components include:

- a) The development and implementation of inclusive stakeholder consultation and coordination mechanisms at regional, country and local levels, bringing together different sectors (e.g. agriculture, livestock, forestry, fisheries, nutrition, education, social welfare, health) and stakeholders (public sector, private sector, civil society, development agencies), and participation to REACH, UN Joint Programming, the New Alliance for Food Security and Nutrition (G8) and other initiatives on food and nutrition security;
- b) Better understanding of efficient nutrition governance at different levels, and related guidance to countries and stakeholders;
- c) The Global Strategy to Improve Agricultural and Rural Statistics at country levels, including CountrySTAT;
- d) Information Systems for Food and Nutrition Security (ISFNS) at national and regional levels, including strengthened analytical capacity underpinning the Integrated Food Security Phase Classification (IPC) and the Mapping Actions for Food Security and Nutrition (MAFSAN);
- e) The development of institutional capacity to produce, analyse, disseminate and use high-quality data (e.g. through household or other surveys and work on indicators) including in connection with the adoption of healthy diets, improved dietary behaviours, and better nutritional outcomes
- f) Strengthened capacity to participate in sub-national, national and international multi-sectoral nutrition discussions, both at technical and policy levels.

Organizational Outcome 3: Member countries and their development partners formulate, implement, monitor and evaluate policies, programmes and investments to eradicate food insecurity and malnutrition.

144. In addition to raising levels of political commitment and strengthening governance mechanisms, policies, programmes and investments at all levels need to contribute in a more purposeful and concrete manner to the eradication of hunger, food insecurity and malnutrition. In practice, national, regional and global-level decision-makers should have capacity to review sector and cross-sector policies, programmes and investments and increase their consistency, coherence and impact in achieving this strategic objective. Nutrition-specific actions in the agriculture, natural resources, fisheries and forestry sectors, and in the food system as a whole, and promoting the consumption of safe, adequate and healthy diets would receive due attention, as well as addressing the multiple manifestations of malnutrition (undernutrition, obesity, and micronutrient deficiencies) in a sustainable way, while complementing health-based approaches. This Organisational Outcome also covers monitoring and evaluation systems.

Output 3.1: Member countries have the capacity to develop and implement cross-sectoral policies, strategies and investment programmes for food and nutrition security.

145. Work will include:

- a) A review of macro-economic, sector and cross-sector policies, programmes and investments to identify gaps, inconsistencies, and unanticipated negative impacts
- b) Comprehensive and consistent set of gender-sensitive policies, programmes and investments to ensure improved food and nutrition security
- c) Sharing of lessons learned and good practices, e.g. through conferences, South-South Cooperation arrangements, and knowledge sharing platforms (e.g. FSN Forum and other knowledge networks)
- d) Capacity building in countries to formulate and implement policies and programmes that adhere to identified good practices, including the 'twin-track' and rights-based approaches
- e) Institutional and individual capacities to formulate and implement targeted food and nutrition security action programmes
- f) Making public investments in the food and agricultural sectors nutrition-sensitive.

Output 3.2: The implementation of sector and cross-sector policies, programmes and investments is systematically monitored and evaluated.

146. Focus will be on:

- a) Capacity development for context-specific and gender-sensitive monitoring and evaluation of the impact of policies and programmes (across all sectors) on food security and nutrition
- b) National and local capacities of government and non-governmental actors charged with developing inclusive, transparent, and accountable policy making process
- c) Sharing lessons learned and good practices
- d) Putting in place policy tracking and gap analysis and assessments (including PIP frameworks)
- e) National food and nutrition security platforms for sharing international experiences and best practices
- f) National and regional coordination mechanisms for food and nutrition security.

*Regional Initiative (SO1)*

**The 2025 Hunger Free Latin America and the Caribbean Initiative**

147. Under this initiative, the common goal of the countries in the region was reaffirmed at the FAO Regional Conference (2012), i.e. to eradicate hunger by 2025. The Regional Office for Latin America and the Caribbean (RLC) provides the technical secretariat to the initiative. The Regional Outcomes and Outputs are:

**Outcome 1** Member countries reaffirm their political commitment to eradicate hunger and malnutrition.

**Output 1.1:** Parliamentary Fronts Against Hunger are formed and strengthened in 15 more countries, so that governments and civil society develop **legal frameworks in favour of** food and nutrition security (FNS).

**Output 1.2:** The Parliamentary Front Against Hunger of Latin America and the Caribbean is consolidated within the framework of supranational parliamentary structures like PARLATINO (Latin American Parliament).

**Outcome 2** Governments in the region, parliamentarians and civil society have improved dialogue opportunities and technical capacities to develop governance and coordination mechanisms on issues related to food and nutrition security.

**Output 2.1:** Food and nutrition security initiatives from regional integration bodies (SICA, CARICOM, UNASUR, CAN) are coordinated under the Community of Latin American and Caribbean States (CELAC).

**Output 2.2:** The Summit of Presidents and Heads of State of CELAC requests the FAO to support and guide the Community on food and nutrition security and on agriculture issues.

**Output 2.3:** Latin American and Caribbean participation in the Committee on World Food Security (CFS) is reinforced.

**Outcome 3** Member countries in the region have institutions, strategies and programmes better prepared to address the multi-sectoral nature of food and nutrition security.

**Output 3.1:** A regional south-south triangular cooperation programme for social protection, school feeding, family agriculture and monitoring and evaluation systems for policies/strategies/plans/programmes for Food and Nutrition Security is implemented.

***Strategic Objective 2: Increase and improve provision of goods and services from agriculture, forestry and fisheries in a sustainable manner***

*Action Plan (preliminary version)*

**Context and rationale**

148. The world's population is predicted to increase to 9 billion by 2050, with Africa alone reaching 2 billion by that date. Enormous social, economic and environmental forces will influence this more populous future, with many unknowns. However, a world free of hunger requires substantially increased production to meet rising demand and a firm transition to more sustainable agriculture<sup>24</sup> in all its forms. The needed growth and improvement in agriculture implies innovative approaches to sustainability which benefit people (the producers of goods and services) and conserve the environment. Growth in agriculture is also the most effective means of reducing poverty and achieving food security in most countries. It requires the effective participation of smallholders, women and indigenous peoples.

149. FAO and its member nations thus face a dramatic context of much needed improvements in agriculture and in the management of natural resources to feed growing populations and provide a springboard for reducing poverty and food insecurity. In the past, strategies for agricultural development have tended to focus on maximizing production, with little or insufficient regard to any damage caused to the natural resources used, or to other ecosystem goods and services. These ecosystem services contribute to efficiency and resilience across crop, livestock forest and fishery systems, as well as delivering significant environmental benefits.

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<sup>24</sup> The term "agriculture" in the document covers crops, livestock, forestry, capture fisheries and aquaculture.

## **Main factors underpinning the design of SO2**

150. The design of Strategic Objective 2 is innovative in its emphasis on: 1) the integration of FAO's work relating to the three "pillars" of sustainability (environmental, economic and social); and 2) ways to generate the needed wide scale transition to the adoption of more sustainable practices by large numbers of producers and resource managers. This scope also reflects the outcome of the RIO+20 conference, and serves to explain better the contribution of the agriculture, forestry and fisheries sectors to the concept of sustainable production and consumption. Other key factors taken into account are summarized below.

### *Scarcity and degradation of the natural resource base*

151. Some of the highest population growth is predicted in areas which are much dependent on agriculture and already have high rates of food insecurity. At the same time, competition over natural resources is expected to intensify. This may come from urban expansion, competition between agricultural sectors, expansion of agriculture at the expense of forests, industrial use of water, recreational use of land, and competition over the use of the oceans. In many places this is leading to exclusion of traditional users from access to resources (and to markets).

### *The importance of ecosystem services*

152. Understanding and applying the concepts of sustainability in production systems is critical for increased provision of goods and services. The first FAO report on the State of the World's Land and Water Resources for Food and Agriculture identified major agricultural production systems at risk and advocated for a paradigm shift towards sustainable agriculture. More research needs to be done to better understand the role ecosystem services can play in improving agricultural production systems, or where the potential "tipping points" of ecosystem functions in agriculture may occur.

### *Impacts of climate change and migration*

153. Agriculture is a major contributor to climate change but is also enormously impacted by it. Agricultural activities directly produce greenhouse gases and use significant amounts of energy derived from fossil fuels. Climate change reduces the resilience of production systems and contributes to natural resource degradation. Temperature increase, modified precipitation regimes and increased frequencies of extreme events are expected to become more severe in future decades. At the same time, agriculture offers significant potential to mitigate climate change.

154. Migration is a further complicating factor, with (already happening and expected) fundamental social and demographic changes in rural areas, with a self-evident impact on production. Movement of people can be triggered by poverty, food insecurity, inequality, lack of wage-earning opportunities and increased competition for scarce land and water resources.

### *New threats*

155. Besides the consequences of environmental change, increasing movement of people and goods and changes in production practices give rise to new threats from pathogens (such as highly pathogenic avian influenza) or invasive species (such as tephritid fruit flies). These have an impact on food safety, human health and the productivity of systems, which may be compounded by inadequate policies and technical capacities, putting whole food chains at risk.

### *Weaknesses in governance and policy-making*

156. While international agreements and instruments have the potential to significantly improve natural resource management, experience to date proves that they are rarely implemented to the full. In addition, policy agenda and mechanisms for production and resource conservation are mostly disjointed. In fact, integrated management is needed at the level of ecosystems and/or landscapes. However, these rarely coincide with administrative boundaries.

### *Need to deal with a broad variety of local situations*

157. The nature and extent of the above challenges vary considerably across agricultural production systems, which in turn vary in terms agro-ecological and socio-economic conditions, calling for great

effort of adaptation of effective solutions. In this connection, it may be useful to recognize three main categories of agricultural systems, as follows:

- a) Intensive systems and landscapes for the production of goods (small to large scale irrigated and rain-fed systems, aquaculture, etc. in both developed and developing countries). Here, the key challenges are natural resource depletion and degradation and associated cost increases, as well as high levels of related pollution.
- b) Extensive (lower external input) production systems and landscapes, often the home to producers achieving low and unstable returns to agricultural production and lacking access to resources for improving production and resource degradation.
- c) Areas with a focus on the provision of other ecosystem services (not related to food) including amongst others, pristine ecosystems such as rainforests, grasslands, some ocean areas and tundra's, and areas under increasing threat from competing uses.

#### *Need for a dynamic process of innovation*

158. Sustainability must be treated as a process, rather than a singularly defined end point to be achieved. This in turn, requires the development of technical, policy, governance and financing frameworks that support agricultural producers and resource managers engaged in a dynamic process of innovation.

#### *Four guiding principles*

159. Four key principles for guiding new approaches to improving agricultural production systems may be derived from the above context analysis:

- d) Increasing resource use efficiency, i.e. in order to achieve higher productivity with reduced levels of inputs, while minimizing negative externalities;
- e) Increasing resilience to shocks, such as pests, diseases and the impacts of climate change;
- f) Identifying and enhancing the role of ecosystem services, particularly in terms of their effects on resource use efficiency and resilience;
- g) Facilitating access to needed information, including on technologies and the role of agricultural systems in achieving food security and poverty reduction.

#### **Action Plan**

160. Four Organizational Outcomes have been formulated to implement SO2:

- a) Producers and natural resource managers adopt practices that increase and improve the provision of goods and services in agriculture, forestry and fisheries in a sustainable manner;
- a) Stakeholders in member countries strengthen governance – the laws, policies and institutions that are needed to support producers in the transition to sustainable agricultural systems;
- b) Stakeholders adopt and implement international governance mechanisms needed to improve and increase provision of goods and services in agriculture, forestry and fisheries in a sustainable manner;
- c) Stakeholders make evidence-based decisions in the planning and management of agriculture and natural resources to support the transition to sustainable agriculture through monitoring, statistics, assessment and analyses

161. These quite ambitious expected outcomes should benefit from FAO's privileged access to agricultural and environmental policy makers at global and national levels, and its capacity to support the necessary large scale transition to more sustainable approaches with its widespread technical and field-based knowledge – across disciplines, and between countries and regions - which can be used to inform strategic decisions. FAO also has much experience in integrating natural resources management considerations into overall strategies for food and nutrition security and poverty reduction.

162. Broadly speaking, SO2 implies work primarily in four areas:

- a) enabling frameworks for economically, socially and environmentally sound production systems that embody resource use efficiency, resilience, ecosystem services for agricultural production and accessibility;
- b) development, sharing and adaptation of locally-relevant technologies and approaches with a range of partners, concentrating on addressing the barriers to the adoption at larger scale;
- c) capacity building to access and use evidence to support policy and planning decisions;
- d) strengthening international governance mechanisms and instruments relevant to sustainable resource use, with particular emphasis on their implementability.

163. The Organizational Outcomes and their constituent Outputs are elaborated further below (N.B. in view of the complexity of the work under this SO, and the need to involve a large number of units, the output list is very tentative at this stage and will be elaborated further and expanded, after due consultations with all concerned).

Organizational Outcome 1: Producers and natural resource managers adopt practices that increase and improve the provision of goods and services in agriculture, forestry and fisheries in a sustainable manner.

164. Technology, research and development have an essential role to play, with much greater integration of local knowledge than has generally been achieved in the past. Improving sustainability at the system level depends on the aggregation of small improvements from a large number of producers as well as from resource managers. Local knowledge about the constraints and opportunities on the ground can guide priority setting and enhance technology. This will require robust partnerships between technical and investment-oriented organizations to make this transition happen.

165. It will also be important to develop adequate national and local capacity to support innovation and investment for enhancing resource use efficiency and resilience, including the value of ecosystem services for agriculture. This may be done through improved practices, structural changes at the producer side, or by reducing waste and losses in the production and supply chain. Protection of production systems and food chains from a range of threats should be ensured through surveillance and early response, and measures to raise the resilience of ecosystems exposed to climatic, resource and market variability.

Output 1.1: Production systems and management practices are developed and assessed for their potential to improve and increase sustainable provision of goods and services.

Output 1.2: Producers and natural resource managers identify and adopt management practices that support improved and increased sustainable production of goods and services.

Output 1.3: Organizations and institutions, including producer organizations and cooperatives, have the capacity to support and promote innovation and the transition towards sustainable production of agricultural goods and services, facilitating access to needed resources as well as adequate economic incentives.

Organizational Outcome 2: Stakeholders in member countries strengthen governance – the laws, policies and institutions that are needed to support producers in the transition to sustainable agricultural systems.

166. Policies and institutions are needed that value the contribution of natural resources in agricultural activities in a coherent manner. There are a range of policy options for this, from providing incentives for the adoption of sustainable practices, to the imposition of regulations and financial penalties for actions that deplete or degrade natural resources. Policies must be accompanied by concrete implementation on the ground, which requires good governance arrangements in terms of participation, accountability, equity and transparency.

167. Institutional reforms need to strengthen technical advisory services and research capacities, as well as ensuring enforcement and compliance. FAO will promote good governance as a key

component of the enabling environment for the sustainable increase of production. FAO will also support countries in implementing guidelines on such key dimensions as responsible governance of tenure of land, fisheries and forests, responsible fisheries or forestry.

Output 2.1: Policies and regulatory frameworks are implemented to encourage resource use efficiencies, enhance resilience and reduce negative environmental externalities of agricultural practices.

Output 2.2: Policies are implemented that facilitate increased access to productive resources for key target groups, including small-scale producers and the rural poor, developed through inclusive and fair negotiated processes and accounting for gender equity.

Output 2.3: Policies are implemented that increase the economic, environmental and social viability of sustainable practices and production increases, including frameworks and capacities for investment.

Output 2.4: Institutions and support services are able to provide effective support to producers to overcome barriers to sustainable production increases.

Organizational Outcome 3: Stakeholders adopt and implement international governance mechanisms needed to improve and increase provision of goods and services in agriculture, forestry and fisheries in a sustainable manner.

168. FAO will support international governance mechanisms related to sustainability objectives in agriculture, forestry and fisheries, and to the equitable sharing of benefits from natural resources. It will provide critical information, data and analysis to intergovernmental and multi-stakeholder processes which target sustainability, and in a number of cases provide secretariat services. FAO would also actively support and monitor the implementation of agreed instruments. As to international instruments championed by other agencies, FAO will continue to ensure that agricultural knowledge and concerns are duly reflected. At national level, there will be a need to strengthen countries' capacity to participate in the negotiations of international instruments, to ensure that their concerns and circumstances are addressed, thereby easing the implementation of resulting agreements. At the same national level, stronger inter-sectoral coordination mechanisms should be in place towards coherence of both production and protection objectives, and to enhance the effectiveness of landscape level management approaches and institutions.

Output 3.1: International agreements and instruments are negotiated, adopted and implemented in support of sustainable growth in agriculture, forestry and fisheries sectors.

Output 3.2: Partnerships and mechanisms are strengthened or established for coordination, and sharing knowledge on sustainability issues in production and the management of natural resources.

Output 3.3: Capacity is strengthened to ensure that the goals of international agreements and instruments are matched by effective national implementation.

Organizational Outcome 4: Stakeholders make evidence-based decisions in the planning and management of agriculture and natural resources to support the transition to sustainable agriculture through monitoring, statistics, assessment and analyses.

169. This requires a solid conceptual and analytical framework for assessing the process of transition to more sustainable practices, as well as work on defining and measuring key indicators of resource use efficiency and resilience, and identifying (potential) resource use competition. In particular, challenges relating to stocks and utilization rates of natural resources must be addressed at the right level, reflecting landscape/ecosystem boundaries. These may transcend national boundaries, and their resolution requires international collaboration.

170. Data and statistics, geospatial information and maps, and qualitative information are needed to underpin this analysis, including on: the extent, quality, use and productive capacity of land, water, forests, oceans and inland waters; and the impacts of agriculture, forestry and fisheries on these resources. FAO will facilitate and participate in processes for data collection, using agreed definitions and metrics for the various dimensions of sustainability, and help develop analyses of global and regional trends. However, the availability of information is a necessary but not sufficient condition for

better evidence-based decisions. FAO will build capacity for the actual use of the various information tools and products produced and disseminated. Capacity development will also address data needed locally in some cases in order to provide the necessary inputs to the models used.

Output 4.1: Information is available for understanding the status, trends and perspectives for further development of plant, animal, forest, fisheries and aquaculture production and of resources, including threats from climate change.

Output 4.2: Conceptual and analytical tools are available for assessing, planning and managing the sustainable use of natural resources in agricultural systems, including values of ecosystem services in agricultural systems through the conservation or rehabilitation of land, water, biodiversity and genetic resources.

Output 4.3: Capacity is developed for countries to collect relevant data, and to use the data to make better evidence-based decisions.

#### *Regional Initiatives (SO2)*

171. Two regional initiatives will be supported:

##### **Rice-based production systems in Asia and the Pacific**

172. Small farmers in rice-based farming systems will be the target group in this initiative, bearing in mind that they are responsible for over 80% of total production in the region. The focus will be on enabling small farmers to access and adopt sustainable management practices that increase productivity and reduce negative environmental impacts.

173. Using participatory advisory services and networks, pilot activities will take place, with focus on sustainable rice-based production systems involving multiple commodity and non-commodity outputs (including cereal and fish production, public goods and services, carbon credits, adoption of improved water, soil fertility and pest control management practices). A methodology will be developed to evaluate economic, social, and environmental efficiency of input use in rice systems by small farmers and their possible linkages to climate change.

174. In parallel, policy makers will be enabled to engage effectively in national policies and investments promoting sustainability in rice. The initiative will entail collaboration with local and national authorities to discuss and mainstream good practices and tools. Jointly implemented by HQ and Regional Office technical staff, the initiative will lead to a knowledge network on efficient rice systems and value chain, specifically targeted at small farmers.

##### **Water scarcity in the Near East**

175. The region has a long history of initiatives that have sought to improve water resource and cropland management practices. Lessons have been learned and can be shared, while there is a critical need to inject fresh thinking into the process of finding sustainable solutions to water scarcity problems. Innovative approaches to water governance will be key, facilitating access to proven and effective water use and management practices.

176. The present initiative will review major milestones in policies and strategies in agriculture water management over the past 10-15 years, and a regional meeting will discuss the results and follow-up measures. The review will be conducted in a set of representative countries of the region and focus on identifying the strengths and weaknesses of current water management practices, policies and measures. Similar experiences from outside the region will also be presented at the regional meeting. Close collaboration will be maintained with major partners active in the field of water resources management in the region.

### ***Strategic Objective 3: Reduce rural poverty***

#### *Action Plan (preliminary version)*

#### **Context and rationale**

177. While there has been a broad decline in poverty worldwide, yet extreme poverty tends to be concentrated in rural areas and the situation varies highly from region to region. In 2010, approximately 35 % of the total rural population of developing countries was classified as extremely poor, down from around 54 % in 1988. This welcome overall decline is mainly due to a massive reduction in rural poverty in East Asia (15% remaining extremely poor). Rural poverty is highest in Sub-Saharan Africa (60%), followed by South Asia (45%), Latin America and the Caribbean (10%), and the Middle East and North Africa (5%). Within each region, some countries and sub-regions performed better than others. Global trends in terms of climate change, demography and migration, are also affecting the distribution of poverty across regions and in both rural and urban areas.

178. Rural poverty is mostly concentrated among households of small-scale subsistence producers and family farmers, fisherfolk, the landless poor employed in agriculture and in non-agricultural rural enterprises, and other rural people who are unable to access productive opportunities of any kind (e.g. children, people with disabilities, seniors).

179. Although the boundaries between them are not clear cut, three broad categories of extreme rural poor (which require different strategies), are as follows:

- a) small producer households and family farmers (including small-scale fishers, livestock keepers, forest users) who have access to some land, but suffer from other constraints affecting their productivity;
- b) rural workers, including those self employed in agriculture and wage workers in agriculture or in non-farm enterprises, who endure precarious employment conditions and low remuneration levels;
- c) segments of the population who have difficulty accessing both farm and non-farm opportunities.

180. A significant development in recent years is that the share of non-farm income in rural households has been increasing in all regions, as these households typically combine income sources from both farm and off-farm occupations. But common characteristics for many of the extremely poor (beyond low incomes) continue to include: social and political marginalization, exclusion and discrimination, low levels of health and education, cultural and linguistic barriers, due to diverse causes which vary across populations and regions. These inequalities need to be tackled through targeted programmes that enhance opportunities and address the specific constraints faced by each of the three broad categories.

#### **Main factors underpinning the design of SO3**

##### *Inappropriately targeted policies*

181. The significant reductions in rural poverty in recent periods have taken place in contexts of rapid economic growth, but economic growth by itself does not necessarily translate into reduced poverty for all. Some segments of the population, in particular very small scale producers and workers, women, youth and indigenous peoples, remain vulnerable to exclusion from productive resources, services, political and social representation, employment, and public support programmes. Policies which reduce public spending, excessively tax agriculture, favour food aid over investments, and do not prioritise equality and participation may exacerbate the problem. Moreover, even policies and programmes intended to improve livelihoods of poor small producers (e.g. input subsidies) may benefit larger scale producers more than their intended beneficiaries. Hence, explicit policy interventions to address exclusion and inequalities are necessary.

182. Another problem is that national data systems are not always disaggregated by key factors (e.g. age, gender, ethnicity, scale of production), hindering understanding of the scale and nature of

rural poverty. Capacities to set targets and monitor progress related to rural poverty are also weak and, in practice, governments often prioritize the interests of nearby urban constituents over remote and poor rural populations. As a result, policies often suffer from urban bias.

*Lack of or inequitable access to productive assets and resources*

183. The rural poor rely heavily on “natural capital” for their livelihoods, including common property resources such as fisheries, forests and water. Lack of secure access to these resources limits the agricultural productivity of small producers and family farmers, a problem that is worsened by demands from other sectors and increasing overall resource scarcity. Weak or absent land and natural resource governance regimes result in overfishing, deforestation and forest degradation, depletion of aquifers and loss of soil quality. Poorly designed or inappropriate land administration systems perpetuate inequalities in access, reduce tenure security or exacerbate conflict, further affecting the availability and accessibility of food. Inequitable access and unsustainable management of resources therefore limit participation in a range of socio-economic activities as well as related decision making processes.

184. Inequalities in access to productive resources are particularly pronounced among women, youth and indigenous peoples, sometimes compelling them to move out of agriculture or migrate elsewhere in search of better opportunities. For example, women continue to make up only 10-20% of all land holders and the land that they do hold tends to be in small holdings of poorer quality and with more tenuous rights. Access of indigenous peoples<sup>25</sup> to their traditional lands and territories, and to common property resources, are also insecure or absent

*Access to services*

185. In many areas, the existing rural service systems for agriculture, livestock, forestry, fisheries and domestic consumption and care are subject to the "triple challenge" of market, state, and community failure. At best, they are ill adapted to the needs of the rural poor, and at worst may bypass them entirely. Critical inputs include financial, legal, marketing, technological, research, extension, agricultural education, information, energy, food and seed banks services, as well as other services that facilitate engagement in agricultural activities (e.g. child care). There are both demand<sup>26</sup> and supply<sup>27</sup> side constraints to the provision of services to the food and agriculture sector. While the private sector contributes significantly to service delivery, it is often uninterested in rural poor clienteles, because of low profits and high risks. The development of technologies most relevant to poor men, women, youth and indigenous peoples in rural areas is also not receiving adequate attention. NGOs and community service providers, on the other hand, are often unable to serve the poor effectively because of low internal capacities, potential favouritism and limited resources. State institutions, which are often the main providers of services to the rural poor in developing countries and generally cover services targeted for these groups, are burdened by bureaucratic procedures and lack the capacity, funding and incentives to create a favourable delivery environment.

*Weak or absent organizations (social capital)*

186. Poor and small scale producers and fisherfolk suffer from isolation and remoteness of dwellings and production sites. Few of them are organized and when they are, their organizations are often weak and inequitable. They lack voice and opportunities to influence or participate in decision-making. Indigenous communities in particular commonly live in remote rural areas characterized by challenging environmental conditions and difficult access to centres of political power or economic activity. Membership based organizations in rural areas are often controlled by local elites, and

<sup>25</sup> Worldwide, there are an estimated 370 million indigenous individuals in more than 70 countries. Although they constitute only about 5 percent of the world's total population, indigenous peoples comprise more than 15 percent of the global poor and their income levels and human development indicators (health, education, etc.) consistently lag behind those of non-indigenous groups. (World Bank, 2003, 2004)

<sup>26</sup> Demand side constraints include: distance, transaction costs, literacy requirements, low quality, reliability and responsiveness of services on offer, and small producers' lack of knowledge about available services and inability to send market signals about their needs.

<sup>27</sup> Supply side constraints include: the difficulty in delivering cost effective, profitable and sustainable services to dispersed populations with limited purchasing power, and providers' poor knowledge of the nature and concentration of demands.

women, youth and indigenous peoples tend to have limited participation or influence over their decisions, unless they form organizations of their own.

*Low employment opportunities and lack of decent working conditions*

187. In rural areas, the “working poor” (the second category mentioned above) who earn less than USD 1.25/day, primarily comprises non-agricultural landless labourers, subsistence own-account or self employed producers and contributing family workers, including those who derive some income from off farm activities. Globally, nearly eight out of ten of these working poor live in rural areas and spend a high proportion of their disposable income on food. Decent employment, including protection from unemployment, is essential to achieving food security. Yet unemployment, underemployment, poor remuneration, poor working conditions, and exposure to occupational hazards continue to prevail in many rural areas. Current evidence also shows that there are limited opportunities for productive and decent employment for young people and indigenous peoples in the agricultural sector. These low employment opportunities and status of agricultural jobs lead many youth to abandon agriculture and rural areas in favour of urban centres, nationally or abroad. At the same time, 60 % of child labour is in the agricultural sector, including hazardous and risky activities that can compromise a child’s health, development and education.

*Rudimentary or ineffective social protection in rural areas*

188. The third category of extreme poor (those who have difficulty accessing either farming or employment opportunities) are highly vulnerable to even small shocks which may push them closer to poverty, deprivation, starvation and even premature death. To prevent this from happening, governments seek to provide social protection programmes with combined hunger and poverty reduction objectives, operating on different sources of entitlement: production (e.g. input subsidies), labour (public works programmes), trade (food price subsidies, grain reserve management), and transfers (school feeding, supplementary feeding, cash transfers).<sup>28</sup> However, the potential contribution of social protection measures to poverty reduction is currently not being fully exploited in rural areas.

189. Problems related to targeting, affordability, implementation modalities, disincentive effects, graduation, scalability and accountability influence the effectiveness of social protection to achieve its objectives. Lack of transparency and information about social protection programmes, lack of awareness among possible beneficiaries, and administrative discretion opening the way to favouritism and discrimination, may also lead to failure of such programmes to reach many of those in greatest need. Additional difficulties include competition between social protection and agricultural policies for limited financial resources and influence, especially when they are seen as different spheres of policy and are implemented by different agencies. In practice, there are also potential conflicts between different social protection measures, linked to their timing, formulation and implementation, and lack of coordination and coherence between them.

*The ingredients of success*

190. In seeking to capture an extremely complex field in a few words, enabling environments to reduce rural poverty would need to combine critical elements as follows:

- a) improved targeting of policies, better access to and distribution of productive resources, policy and legal frameworks for co-management of natural resources, improved land administration, sustainable increase in productivity, enhanced service provision and innovative approaches, and strengthened and inclusive producer organizations;
- b) ensuring that economic growth does translate into increased decent farm and non-farm rural employment opportunities for men, women and youth;

<sup>28</sup> Social protection for food security: a report by the high level panel of experts on food security and nutrition, Committee on World Food Security, 2012.

- c) maximized synergies between social protection and rural development policies ensuring an effective mix of instruments and ultimately leading to positive impacts on rural poverty reduction, food security and sustainable management of natural resources.

191. At the same time, several cross cutting themes would merit close attention:

- a) strengthened gender equality and gender sensitive approaches;
- b) supporting disadvantaged groups (e.g. youth, the elderly and indigenous people);
- c) recognizing diversity, i.e. in terms of agro-ecological, socio-cultural, economic, political and institutional environments;
- d) building a strong evidence-based store of information, including lessons learned and impact analysis of past policies;
- e) ensuring nutrition security via nutrition-sensitive policies, programmes and investments across sectors;
- f) improved governance systems at all levels so that poverty reduction efforts can be sustainable and effective.

### **Action Plan**

192. While FAO is clearly one of many actors working to reduce poverty, its comparative advantage lies in: its extensive experience in generating evidence-based policy formulation elements and identifying lessons learned including with a wealth of partners; in promoting research and knowledge sharing, in cooperating with national authorities to develop capacities; in developing and testing models and options for intervention; and in monitoring and evaluation.

193. The three identified Organizational Outcomes and component outputs (and sub-outputs) are elaborated below.

Organizational Outcome 1: The enabling environment<sup>29</sup> in member countries is improved for men and women rural small producers, family farmers, and small rural entrepreneurs to move out of poverty.

Output 1.1: Governments and their development partners are aware of options available - including public private partnerships - to reduce poverty among men and women small producers, family farmers in rural areas and develop policies, partnerships and actions to establish and catalyze them.

194. FAO is to:

- a) provide technical advice to governments and their development partners regarding a range of options for developing gender equitable strategies to reduce rural poverty, including what has worked and what not in different contexts and keeping them abreast of lessons learned, and advising on policy coherence for integrated approaches and interdisciplinary collaboration between sectors;
- b) develop capacity to set targets, monitor national level progress and ensure increased budget allocations on reducing rural poverty, improving food security and the livelihoods of rural men and women small-scale producers, family farmers and entrepreneurs;
- c) encourage fundamental national policy and institutional reforms to deal with small-scale producers in a dedicated way, including advice on fiscal and other policies to overcome specific constraints (e.g. tax breaks/tax revenue distribution, public service/benefit schemes, etc.).
- d) promote and facilitate interaction, networking and dialogue between the actors (public and private sectors), interest structures and institutions (formal and informal) across different levels;

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<sup>29</sup> The enabling environment is defined in broad terms as including: political commitment and vision; policy, legal and economic frameworks; budget allocations and processes; governance and power structures; as well as incentives and social norms.

- e) enhance its own data collection mechanisms (within statistics and M&E programs) which enable a better account of the gender differentiated access to resources and investment or policies for different kinds of holdings.

Output 1.2: Pro-poor policies and programmes that enhance access to- and sustainable management of natural and other productive resources are implemented.

195. To that end, FAO is to:

- a) provide strategic and technical advice for governments to develop policies and programmes that promote equitable access to, control and sustainable management of land, water and other natural resources (including promoting the implementation of the Voluntary Guidelines for the Responsible Governance of tenure of land, fisheries and forests, and Right to Food Guidelines);
- b) provide policy guidance to streamline the administration and legal services related to land and natural resources at central and decentralized levels (e.g. private and communal land registration/ administration, varietals registration/patenting, water rights registration, forest and fisheries use rights, legal aid, payment for environmental services); close contacts are required for this with ministries in charge of Land, Water, Agriculture, Fisheries, Forestry, Justice;
- c) help prioritize, support, advocate and develop appropriate technologies and support efforts to test and disseminate them;
- d) influence research agendas so that rural poverty topics are addressed.

Output 1.1: Governments and their development partners are aware of options available for more efficient rural service models and develop policies, partnerships and actions to establish and catalyze them.

196. FAO is to:

- a) provide policy guidance and support to reorient/streamline existing service systems to guarantee affordable, efficient, high quality services to men, women and young producers and other small scale producers normally excluded from existing systems;
- b) build knowledge of alternative institutional models, good practices and territorial approaches for appropriate food and agricultural support services which are affordable/profitable for service providers;
- c) develop with partners human and institutional capacities to implement stronger gender-sensitive client driven rural service systems for financial services (including insurance schemes for rural producers where possible), input retailing, output marketing, post-harvest management and certification of food, agriculture, fisheries, forestry and livestock production and enhance inter-sectoral coordination;
- d) support the capacities of national agricultural institutions (research, extension services, others) to provide analytical services (e.g. soil and water, pests/disease, feed, veterinary diagnostics) and to specifically develop the capacities of women and youth small and marginal producers and entrepreneurs through farmer field schools and other participatory models;
- e) contribute to the development and implementation of norms and standards and support gender-sensitive/youth sensitive monitoring, evaluation and assessment of food and agricultural service systems to enhance accountability and feedback;
- f) stimulate, orient and increase the quality and accountability of public and private service systems, resource access, institutions based on inclusive membership and decent employment so that women, youth and other small producers can increase their productivity sustainably.

Output 1.4: Governments and their development partners are aware of the potential of producer organizations, cooperatives and collective action to reduce poverty in rural areas and they promote

enabling institutional environments and develop policies, partnerships and actions to establish and support producer organizations and cooperatives.

197. FAO is to:

- a) identify and advice on enabling environments (legal and policy frameworks) and national programmes for inclusive and equitable producer organizations to be strengthened and to become more effective in addressing their men and women members' needs and interests, represent them in policy making processes and provide services;
- b) advise on gender equitable organizational change within public institutions as well as within rural institutions/producer organizations and cooperatives (focus on management, leadership, and organizational behaviour, culture and mission and accountability mechanisms);
- c) support governments in the promotion of participation of membership organizations in program and policy formulation, implementation/evaluation activities.
- d) assist with national efforts to ensure fair treatment to producer organizations and cooperatives, for them to have information about their rights vis-à-vis governments and to be able to hold officials and service providers accountable for their actions;
- e) facilitate dialogue between organizations (for example producer or membership organisations) and member governments; promote the strengthening of institutional mechanisms for dialogue and collaboration between the government and representatives of producer organisations and cooperatives.

Organizational Outcome 2: The enabling environment in member countries is improved for agricultural growth to generate increased decent farm and non-farm rural employment opportunities for rural men, women and youth.

Output 2.1: Governments and their development partners are enabled to extend the outreach of International Labour Standards (ILS) to rural areas, particularly in the informal agricultural sector and related occupations, including eliminating discrimination, strengthening the employability of the rural workforce, preventing child labour in agriculture, promoting social protection and occupational safety and health, and guaranteeing freedom of association.

198. Components of work will include:

- a) in partnership with ILO, advice to governments and the rural development community and capacity building to establish, implement and enhance workers' awareness about policy, legal and regulatory frameworks which support the adoption of ILS in rural areas, including for small-scale producers/family farmers, informal wage workers in the food system and rural agro-entrepreneurs;
- b) technical advice to agricultural stakeholders to promotes socially sustainable agricultural production, including through the adoption of labour-saving and labour-smart technologies and practices and occupational safety and health (OSH) measures for agricultural workers;
- c) strategic and technical advice and capacity building to prevent use of child labour in the agricultural sector, in partnership with relevant partners such as the ILO;
- d) facilitation of dialogue and collaboration among agricultural and labour stakeholders (public and private sectors) on the outreach of ILS to rural areas.

Output 2.2: Governments and their development partners are enabled to promote employment-intensive socially equitable rural and sustainable development paths, fostering the rejuvenation of the agricultural sector and rural women economic empowerment.

199. FAO will seek to:

- a) provide advice and use innovative learning methodologies and networks to formulate and implement policies and programmes (e.g. agricultural investment programmes, value chain development programmes, social policy reforms, etc.) that increase decent rural employment

opportunities, ensuring that this is embedded and monitored within corporate FAO country-level policy assistance;

- b) provide policy advice to countries and promote partnerships (including with the private sector) in order to foster policy coherence between employment, social protection, and agriculture and rural development actions;
- c) promote better understanding of, and build knowledge on which policies, strategies and programmes have and have not worked in different contexts and labour market structures, including through sharing of good practices, lessons learned and impact evaluations (e.g. by using portals and regional workshops, developing networks, etc.);
- d) support youth-smart programming in the agricultural sector and related occupations;
- e) provide strategic and technical advice to countries to integrate decent rural employment in disaster and crisis risk management so as to increase the resilience of livelihoods systems and provide a foundation for long-term development (linking up to work under SO 5).

Output 2.3: Gender- and age-differentiated analysis of rural labour markets and of the employment implications of alternative agricultural and rural development policies and programmes is improved.

200. FAO is to:

- a) support and disseminate (e.g. through networks, events, portals, publications, etc. ) analysis of the employment dimensions of rural poverty, especially with regards to women, youth, informal wage workers, migrants and micro and small entrepreneurs;
- b) enhance its own data collection and analysis capacity to enable a better account of the gender and age-based differentiated access to decent rural employment opportunities;
- c) strengthen national capacities to collect data and information and monitoring progress on closing the gender and age gap in decent rural employment towards more informed decision making (e.g. by developing guides and training on employment-relevant M&E of agricultural and rural development programmes);
- d) strengthen national agricultural and rural development institutions (e.g. ministries, research institutes, etc.) to provide analytical services on decent rural employment, including to conduct employment-relevant social analysis of agro-investment and value chain development programmes.

Organizational Outcome 3: Governments and their development partners formulate and implement policies and programmes that maximize positive impacts of social protection programmes on rural poverty reduction, food security and sustainable management of natural resources.

Output 3.1: Governments have the capacity to design and implement social protection programmes which include links to rural livelihoods.

201. FAO will seek to:

- a) advise governments on how to articulate social protection programmes within a strategy of rural development in order to maximize the impact on rural poverty and food insecurity;
- b) foster policy integration and coherence at national and local levels to achieve synergies between social protection, agriculture and employment (e.g. NSPS, Agricultural Policy, CAADP, PRSP, DWCP) in a systems approach;
- c) support Governments in the review, strengthening and/or developing legal and institutional frameworks that underpin social protection programmes that support rural livelihoods directly and indirectly;
- d) assist with improved governance of social protection programmes, for efficient and gender equitable delivery of adequate benefits;

- e) developing functional capacities of policy makers, analysts and officers in charge of implementing social protection programmes and rural development policies (at national and local levels).

Output 3.2: Social protection programmes that support rural livelihoods directly are context and evidence-based, and responsive to the needs of the poor and vulnerable farmers and producers.

202. Components of work will include:

- a) dissemination of information and data relevant to policy and programme design and implementation, and on institutional issues needed for strengthening synergies between social protection and rural development policies;
- b) analysis and information on the dimensions of poverty and vulnerability, as well as on constraints to agricultural productivity especially with regard to women, youth and indigenous groups;
- c) promotion of better understanding and build knowledge on what has and has not worked in different countries and regions at different stages of development (i.e. with different levels of economic activity, employment-intensity of growth, infrastructure and market development), including through sharing of good practices, lessons learned and impact evaluations;
- d) support to governments and engagement of partners to develop capacities of poor rural men and women, and youth, to access information about their entitlements, and to be able to demand fair treatment and hold officials and service providers accountable for their actions;
- e) data collection and analysis on impacts on livelihoods and food insecurity, and on gender equality implications of social protection programmes that integrate links to agriculture;
- f) support to gender-sensitive monitoring, evaluation and assessment of relevant programmes to enhance accountability and feedback.

*Regional initiative (SO3)*

**Rural poverty in Africa**

203. This programmatic regional initiative will address all three outcomes of SO3, adopting a value chain approach from a social equity perspective, in order to maximize the positive impacts of social protection programmes, decent rural employment, equitable access to natural resources and rural services and participation in producer organizations and rural institutions. Opportunities for the disadvantaged, resource-poor, remote communities and population groups, with particular attention to youth and women, to participate in production and marketing chains, will be actively explored.

204. This initiative will seek to establish the analytical foundation for an effective operational results framework in one or two pilot value chains in the region, which will guide further collaborative work of FAO, governments and diverse stakeholders and partners to implement coherent, longer-term programmes of work. These value chains will be selected from those already identified as priorities in the initial phase of the Africa Results-based Management Pilot Initiative (RBM): Cassava in Ghana or D.R. Congo, Maize in Angola or Uganda. Linkages with other value chains will also be explored (crop-livestock interaction).

205. Collaborative efforts will be driven by the following guiding principles and pertinent factors:

- a) Focus on disadvantaged, resource-poor, remote communities and population groups, with attention to youth and women.
- b) Building on existing value chain work in the pilot country(ies) and attention to critical gaps within these chains and intervention points where FAO can add value from a social equity perspective.
- c) Support to interdisciplinary approaches across sectors, institutions and actors (both public and private);

- d) Search for concrete outcomes achievable within a short term horizon, with a view to using them as the basis for a longer term programming to be funded by other sources ;Establishment of a dynamic learning module to distil lessons on the collaborative processes fundamental for RBM implementation.

### **Expected activities and outcomes**

206. Baselines, on which to measure outcomes and a set of indicators, are identified.
207. Knowledge and up-to-date evidence is available and accessible for value chain development efforts in the targeted country to integrate the needs of the poor and vulnerable farmers and producers as well as wage workers and identification of social protection needs and opportunities throughout the chain.
208. Participatory country-level, gender-sensitive, diagnostic exercises are undertaken in the context of work planning (overall value chain assessment; producers' organizations performance and capacity; access to services and technologies; value addition and decent rural employment; youth; social protection and rural development linkages; structural vulnerability analysis).
209. Governments in the pilot countries are enabled to design and implement policies and regulatory frameworks that maximize opportunities for poor and vulnerable farmers and producers.
210. National authorities in the pilot country have improved capacity in terms of governance and cross-sectoral coordination mechanisms to leverage the potential of the selected value chain/s for enhancing incomes of poor and vulnerable farmers and producers as well as wage workers and reducing rural poverty.
211. Capacity strengthening and skill development is implemented in the following areas: participation in and leveraging of policy and programmatic processes; functional capacities; participatory impact assessment for improved transparency and accountability (others to be determined).
212. Key national, regional and development partners are involved in the process. The regional initiative will facilitate dialogue between stakeholders and partners, and promote joint action and sharing of lessons learned.

### ***Strategic Objective 4: Enable more inclusive and efficient agricultural and food systems at local, national and international levels***

#### *Action Plan (preliminary version)*

### **Context and rationale**

213. In getting increasingly globalized, agriculture<sup>30</sup> and agrifood systems are going through revolutionary changes: primary sector has become the element of increasingly integrated supply chains; downstream sector, especially processing and retailing, becoming industrialized and more concentrated; very often primary sector enterprises being part of vertically integrated or controlled value chains. Also a more specialized primary sector implies that new inputs (such as water, fertilizer, seeds, feeds, machinery and equipment) require new supply and use models. Information technologies and the social media significantly modernize marketing channels, facilitating the involvement even of smallholders into the global markets. These trends dramatically change the lifestyle and employment opportunities in rural areas.

214. Agriculture and agrifood systems are also becoming more science- and capital-intensive requesting new skills and knowledge from producers, processors, managers and workers along the entire supply chain. This also requires huge investment into research and development (R&D) which in many cases creates competitive barriers for small and medium companies which cannot be compensated by public funds (in most developing countries). This widens the already large knowledge

<sup>30</sup> The term "agriculture" is understood to encompass food and non-food crop and livestock, fishery, aquaculture and forestry systems and their products.

gap between industrialized and developing countries. Therefore, technological transfer and protection of intellectual property rights become key issues of agricultural and food industries development.

215. In addition, urbanization determines new food behaviour and consumption patterns for the majority of the world population, making the links between production and consumption more diverse and complex, and calling for more sophisticated infrastructure. Global agricultural markets become more integrated; with expansion of futures trade, they also become more speculative and therefore risky. An inherent risk is non-compliance with market requirements and standards which results in less efficient markets. Public and private standard setters are important actors making a contribution on the national, regional and global scenes in addition to big private agribusiness corporations and forest industry companies currently active in innovation processes and setting standards on the national, regional and global scenes. It is also important that food and agricultural production, processing and consumption are undertaken in a safe and sustainable manner.

216. Food and agricultural systems must improve inclusiveness<sup>31</sup> by linking smallholder farmers, foresters and fisher folk and their organizations with agribusiness enterprises and supply chains for their effective and sustainable participation in rapidly changing global, regional and national markets. Therefore, countries and decision-makers face new challenges and opportunities and FAO can provide much needed analytical information and policy advice and support.

Within this context, governments and other stakeholders are required to make increasingly complex strategic choices in strengthening food and agricultural systems, improving production and post-production activities, institutional mechanisms, the delivery of services, market access, environment, as well as relevant technologies.

### **Main factors underpinning the design of SO4**

#### *Weak enabling environments*

217. Outdated, inefficient and sometimes conflicting policies, laws and regulations, together with uncertain government perceptions of public and private sector roles and responsibilities, difficult access to financial services and weak infrastructure impede the investments necessary to sustainably improve inclusiveness and efficiency in global, regional and national markets.

218. There is also insufficient, dispersed or asymmetric access to: information, knowledge - including intellectual property rights - commercial relationships and infrastructure, frequently reducing the capacity of small farmers<sup>32</sup> and small and medium agricultural enterprises to effectively participate in rapidly changing and globalizing markets. Similar constraints may hamper national efforts to ensure necessary regulatory services for plant and animal health, and food safety and quality. These constraints can also limit capacity of countries to participate in global markets and relevant international fora to address adequately national interests and concerns. This asymmetry in accessing information and knowledge is also relevant for consumers and their essential roles in shaping the food and agricultural system. Eventually, the food and agricultural products placed on the market need to better respond and reflect consumers' expectations and choices. But consumers often lack the access to relevant information to operate choices in their interest (e.g. an informed selection according to nutritional content).

219. A persistent serious problem is that roughly one-third of food produced for human consumption is lost or wasted globally, causing unnecessary pressure on natural resources to make up the gap. For decades, the main focus of efforts to reduce food losses was to improve post-harvest operations. Only recently has it been recognized that reduction of food losses requires interventions to improve supply-utilization alignment and efficiency along the whole food supply chains. While modern, aligned supply chains generally do have much lower losses, there is still excessive food

<sup>31</sup> Inclusive food and agriculture systems under SO4 are those that enable commercial small- and medium-scale production and processing enterprises to sustainably participate in markets. It also involves developing country and stakeholder (including consumers) inclusion in standard setting and trade negotiations and improved rural-urban linkages.

<sup>32</sup> A "small farmer" under SO4 is defined as a commercial farmer, fisher folk or forester or farmer, fisher folk or forester family that participates in the day-to-day labour and management of production, and owns or leases his/her productive assets.

waste, particularly at the retail and consumption stages. Urbanization also leads to more complex and overextended distribution and packaging processes, changing food consumption habits and, for low income families, particularly women, additional time and cost to access food supplies. Governments, working with other stakeholders, need ensure more performing environments by managing and mitigating the risks and threats associated with the above issues and trends.

#### *Private sector capacity and engagement*

220. Public and private sectors have a shared responsibility to minimize outbreaks of disease and pests which can lead to reduced productivity and losses, and result in adverse effects on human, animal and plant health. The private sector is, increasingly, playing an important role in shaping policies as well as market structures through value chain development. Food and agricultural companies at all levels are being driven by changing competitive pressures to introduce business practices and technologies to align supply systems and drive down costs. Increasingly stringent procurement requirements and the associated proliferation of private and other voluntary standards, particularly in food safety and quality and animal health, are helping to improve efficiency, but are also creating avoidable barriers to market entry. Despite growing recognition by agri-food and forestry companies that mainstreaming of responsible practices is becoming a competitiveness factor, few companies have yet succeeded in identifying and scaling inclusive and efficient business models.

221. Because the private sector poses both solutions and risks for enhancing the inclusiveness and efficiency of food and agricultural systems, government institutions need to engage directly with actors at all levels from the highly diverse private sector. Most public sector officials and agencies however, have limited capacity and instruments for results-oriented dialogue and collaboration with private sector actors. Consequently, strengthening public-private dialogue and collaboration is essential for enhancing the inclusiveness and efficiency of food and agricultural systems. Equally, FAO must engage effectively with UN, G8 and other global initiatives to strengthen dialogue and collaborative action with the private sector, particularly multinational corporations, on inclusive technology adoption and fair markets.

222. Action is needed at global and regional levels to reinforce working relations with private sector organizations and companies that have impacts on inclusiveness, fairness and sustainability in many regions and countries. The governance systems for organizations and companies setting private and other voluntary standards must recognize and take into account the public interest. Global companies with global impacts must mainstream principles of corporate social responsibility practices and mechanisms to ensure accountability.

#### *Inclusive and efficient global market systems*

223. International agreements can facilitate an enabling environment for maintaining existing markets, developing new market opportunities and stimulating investment required to deliver inclusive and efficient trade, particularly for low income countries. Differences in opportunity for and actual involvement of countries in developing and implementing such agreements (due for example to asymmetries in their access to, and ability to use, evidence in their assessment of the consequences of the agreements to which they are signatories) should be minimized.

224. Governments and other stakeholders need access to appropriate and timely information to enable informed decisions on phytosanitary and sanitary risks associated with trade to address both market access issues and the issues of food safety and plant and animal health. More generally, governments and producer organizations representing the interests of small, family and vulnerable food and agriculture systems participants must have increased awareness of and capacity to analyze developments in international agricultural markets, trade policies and trade rules and related developments in supply, demand, prices and consumption.

225. At the international level, both importing and exporting countries need specific and different national strategies, policies and measures to benefit from international trade, improve livelihoods and pursue their own food security objectives, while taking account of food security needs elsewhere. The ability of a country to take advantage of regional markets is an important objective in most locations, but is often constrained by poor regional market linkages and the inability of a country

and/or producers to comply with increasingly demanding international rules and standards, especially in relation to food safety and plant and animal health, governance and the environment. Environmental costs of production and processing are not yet reflected in trade agreements and could further raise compliance costs.

226. Competitive markets exist only when all goods and services are valued at their opportunity cost for society. This implies that competitiveness has to be assessed through analyses that take into account the full costs and benefits generated by production, trade and consumption activities including social, gender and environmental positive and negative externalities linked to food and agricultural outputs (e.g. increase or decrease in socio-economic disparities) and input use (e.g. fossil energy, carbon emissions). Recognizing that most trade in agricultural commodities takes place under contractual arrangements rather than spot market transactions, action is also required to ensure that trading conditions facing relevant stakeholders are transparent and fair. Countries and regional and global organizations have to ensure actual competitiveness of markets and fair prices to both the producer and consumer.

227. Access to financial services by small and medium producers and agri-food industries must also be improved. This can be achieved through: efficient and well governed producer organization/marketing association; implementation of risk management strategies such as insurance, savings, and guarantee mechanisms; the strengthening and modernization of the rural financial institutions and investment mechanisms; and, working through the Committee on World Food Security (CFS), the development of principles of responsible investment<sup>33</sup>. New approaches are needed, such as value chain finance, developing new products less reliant on traditional collateral and applying new technologies to reduce costs and risks. These responses must address the particular needs of women and youth.

### **Action Plan**

228. While national authorities and institutions will necessarily need to lead the often arduous change process towards conditions in which efficient, inclusive and collaborative smaller and medium scale private agents can thrive, FAO is able to build on expanding UN private sector dialogue and other initiatives including the International Year of Cooperatives and International Year of Family Farming (2014) to support these efforts. The organization will also continue to be a privileged partner inter alia of the International Financial Institutions (IFIs) in support of the provision of related public sector goods and services and creating favourable conditions for investment; of the CGIAR centres on policy analysis and strategy development; WHO on food safety and Codex work, UNIDO on value chain development and financial services, and WFP on safe food distribution systems.

229. Three Organizational Outcomes have been identified under SO4, as elaborated below.

Organizational Outcome 1: Policies, regulatory frameworks and public good enhance inclusiveness and efficiency of food and agriculture systems.

Output 1.1: Countries and other stakeholders have increased capacity to collect, analyze and access sex and age disaggregated data and information on food, agriculture and environmental markets.

230. FAO, as the leading source of reliable data on hunger, food and agriculture and of methodologies and standards for data collection and analysis, will collate and disseminate gender disaggregated food and agricultural statistics globally that cover food security, prices, production and trade and environmental impact. Through training and technical assistance, countries should be enabled to adopt statistical standards and methodologies. Capacity development of national statistical offices to assemble and generate relevant data, analyze trends in the development of supply systems and prepare appropriate policy responses should be actively supported.

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<sup>33</sup> The Advisory Committee on Paper and Wood Products can assume a similar role regarding the forest based sector

Output 1.2: Public sector institutions have strengthened capacity for developing and implementing policies and providing public goods and services<sup>34</sup> that enhance the sustainable development of agriculture and food industries.

231. Building on a growing body of case studies, issue papers, methodological guidelines and learning products, national public sector institutions would be enabled to formulate, monitor and evaluate policies and strategies for improving the efficiency, competitiveness, and profitability of agricultural and food enterprises, as well as their social, environmental and economic sustainability. FAO will support countries in their efforts towards inclusion of consumers interests into the supply chain so that their expectations, preferences and choices are better addressed. To this purpose, consumer education policies and programmes are needed so that they can make conscious and informed choices.

Output 1.3: National public sectors have better policies and enhanced institutional capacity to implement regulatory frameworks and provide public services related to plant and animal health, and food safety and quality.

232. Drawing on its extensive knowledge on and experience with how animal and plant health safeguards are effectively implemented and ensuring safety of food available on domestic markets, FAO should pursue support to national public sectors to access and build the requisite policy frameworks and institutional capacities consistent with international norms. FAO will continue to provide guidance to countries in implementing phytosanitary standards in forestry and forest products.

Output 1.4: Member countries have enhanced capacity to design and implement policies and programmes that strengthen rural-urban linkages in food and agriculture supplies.

233. Policy and implementation measures to deal with feeding city dwellers involve concerns ranging from agricultural productivity through post-harvest technologies, transportation infrastructure, affordable household energy, sustainability of biofuels of wood and other biomass (esp. charcoal), marketing and distribution, to food safety and the adequacy of consumer incomes that span regional, metropolitan, urban and local areas. FAO will promote improved rural-urban linkages through policies addressing these concerns, capacity development, and the promotion of public and private sector investment to improve urban household access to food and agriculture products provided through efficient, safe supplies. Urban consumers will be specifically targeted so that they have tools to make informed choices to support their nutritional status

Output 1.5: Food losses and waste are reduced through programmes that improve alignment to help efficiency along food chains and raise public awareness at national regional and global levels.

234. FAO will: assist countries in designing and implementing programmes to improve alignment and efficiency in food and agricultural supply chains; support capacity development; and undertake appraisals to help inform strategic private and public sector choices for investment in infrastructure, transportation and processing. It will also facilitate global and regional initiatives in support of reducing food and agricultural sector losses and waste through the provision of information, policy advice and by raising awareness amongst countries and the general public.

Output 1.6: Countries have strategies and programmes for enabling inclusive agrarian structures by improving the commercial viability and resilience of small- and medium-scale food and agricultural enterprises.

235. FAO can provide valuable assistance to developing national strategies and programmes to improve the viability and resilience of small- and medium-scale enterprises. Particular attention is to be given to small and medium scale family farms and cooperatives in the light of the UN declarations establishing 2012 as the International Year of Cooperatives, and 2014 as the International Year of

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<sup>34</sup> A public good is a good that is both non-excludable and non-rivalous in that individuals cannot be effectively excluded from use and where use by one individual does not reduce availability to others. Besides several natural resources (e.g. clean air), within food and agriculture systems, public goods and services could include roads, utilities, market information, food control systems, SPS management, research and extension services, etc. International agreements could also be considered as a form of public good.

Family Farming. A core set of cross cutting challenges impacting on these types of enterprises will be addressed: resource consolidation and acquisition, financial and fiscal measures, representation of interests, and technical and managerial capacity development. FAO will also assist countries to address disadvantages faced by women farmers, female-headed households and women's cooperatives and to support specific target groups when the local context manifests particular dynamics of hardship.

Organizational Outcome 2: Enhanced public-private collaboration in addressing the challenges and risks faced by smaller and disadvantaged participants in food and agricultural systems

Output 2.1: Countries and other stakeholders have improved understanding and programmes for collaborating with the private sector at all stages food and agriculture systems and can manage associated risks.

236. Stakeholders are often not aware of the vast diversity of the private sector and the different roles played by different actors, organizations and enterprises at all stages of food and agricultural systems. FAO can appraise and provide information on this diversity. It can also assist member countries and other stakeholders to develop strategies for enhancing the contributions of the private sector to inclusive and efficient food and agricultural systems.

Output2.2: Governments have effective working relations with commodity, industry, producers' and other private sector organizations and mechanisms in carrying out consultations on food and agricultural systems strategies, policies and investments.

237. Commodity, industry, producer and other private sector organizations that represent small and medium enterprises are natural partners and intermediaries in policy formulation and implementation. FAO can assist countries to strengthen dialogue and consultation mechanisms with these representative organizations. The organizations themselves can be reinforced so that they have stronger commitment to promote and support the creation of economically-viable inclusive business models, defray costs for producers and small and medium enterprises and engage women and youth. Private sector organizations that represent the interests of their individual members can be provided with various types of services, including information to improve understanding of trends in food and agricultural systems and how to help their members to respond better to changes.

Output2.3: Public sector programmes and projects engage private and non-profit organizations and alliances in the provision of appropriate technologies, business and financial services and technical support to producers, small and medium food and agricultural enterprises.

238. One of the main lessons emerging from nearly a decade of experience with value chain approaches is that, to improve prospects for sustainability, private sector enterprises and services providers need to be engaged from the start in the provision of services and technical support. FAO will provide guidance on opportunities, participatory methodologies and best practices for engaging food, agriculture and forestry companies in the provision of technical support and services to smaller and more vulnerable producers and enterprises. It can also assist with appraisals of national, regional and global value chains in order to formulate strategies and set priorities for inclusive value chain development.

Output 2.4: Public-private partnerships contribute to enhancing investments in the food and agricultural sector for increasing inclusiveness and efficiency.

239. Public-private partnership agreements have been used effectively to mobilize investment for public goods such as roads, energy, and water supply and health services. More recently, there has been growing interest in the use of public-private partnership to increase investment in the food and agricultural sector, particularly for improving efficiency by developing markets and enhancing environmental sustainability. FAO will support countries and potential private sector partners in countries in the appraisal, negotiation, development and implementation of such public-private partnerships. It will also provide guidance on best practice and support institutional and organizational capacity development.

Output 2.5: Private sector and non-profit organizations and alliances have mechanisms for ensuring that the interests of the public sector and vulnerable stakeholders are addressed in the development and application of private standards.

240. FAO will assist countries by maintaining a watching brief and engaging in dialogue with organizations and alliances that are developing or benchmarking private standards so as to ensure that steps are being taken to protect the rights and interests of disadvantaged participants in food and agricultural systems (including consumers), and that other aspects of sustainability are included. National authorities also require help in assessing the impacts of private standards on efficiency, including fairness and sustainability. FAO will assist companies, organizations and alliances on mechanisms for better ensuring that public interests are fully considered in the development and application of private standards.

Output 2.6: Global and regional food and agricultural companies are engaged effectively in meeting the changing and growing demand for food and other agricultural products and services, while addressing possible risks related to conflict of interest.

241. Several influential global and regional food and agricultural companies have made commitments to business practices that support inclusive and sustainable food and agricultural systems development. FAO, working directly and in the broader UN context, can engage with large, influential multinational companies as partners in order to turn their commitments into reality on the ground. Effective consultative mechanisms will need to be in place with key opinion formers and joint initiatives launched for piloting business models that enhance inclusiveness and efficiency, while taking necessary steps to avoid conflicts of interest or market distorting preferences. In joint actions with other UN system programmes and agencies, FAO can take the lead in developing partnership initiatives with global and regional companies.

Organizational Outcome 3: International agreements and mechanisms promote inclusive and efficient markets.

Output 3.1: Global and regional decisions, policies and strategies related to food and agricultural markets are guided by more timely and reliable data and information on market access and development.

242. FAO will continue to provide timely and comprehensive information, and actively facilitate its effective use, informing national, regional and global level processes of policy dialogue and evidence-based interventions aimed at improving the functionality of food and agricultural markets. This will include strengthened tools for the systematic monitoring, collection and assessment of international market<sup>35</sup> developments and indicators (prices, volumes, policy actions) and analyses of the drivers of future developments (medium and longer term projections). FAO will also identify and analyse current and emerging issues, bringing them to the attention of the international community and facilitating their discussion by countries and other stakeholders.

Output 3.2: Countries have greater awareness and ability to engage in formulating and implementing international and regional agreements, regulations and other frameworks which promote fair and safe trade and enhance global and regional market opportunities and participation.

243. To enable effective and balanced country participation, FAO will carry out capacity development activities and will address systemic shortcomings faced by countries in their access to knowledge and their ability to undertake effective analysis and assessment to develop and implement relevant frameworks. Particular attention will be placed, as necessary, on advocating special and differential treatments and the principle of equivalence to ensure mechanisms that facilitate trade and provide flexibilities to countries at different levels of development.

Output 3.3: New and revised international standards for food safety and quality and plant health are formulated and agreed by countries and serve as reference for international harmonization.

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<sup>35</sup> Including related energy markets

244. New and revised international standards for food safety and plant health should account better for the needs and aspirations of all countries, especially developing ones, and different sets of stakeholders across countries. FAO will support this by technical expertise, appropriate prioritization and review of the development process. Guidance and methodologies needed to ensure the scientific basis for Codex standards will be further developed.

Output 3.4: Financial and investment mechanisms and services are strengthened to ensure efficient and inclusive access to capital for agricultural growth and meet food and nutrition security needs and rural income generation.

245. FAO will share its experience in the identification and application of innovative and/or improved financial approaches and investment mechanisms and will continue to appraise and disseminate state of the art knowledge on financial services and practices, including *inter alia* effective principles for responsible investment, networks of public and private suppliers and users of finance and investment, and legal and regulatory financial service frameworks.

Output 3.5: Regional economic organizations have enhanced capacity to promote and support initiatives for increased inclusiveness and efficiency of food and agricultural systems.

246. In view of the growing importance of coordinated action in the development of food and agricultural systems at the regional level, FAO will pursue cooperation and partnership with regional economic organizations, addressing policy related constraints to the functioning of food and agricultural systems. A key example of the importance and relevance of these partnerships is to secure reductions in ad hoc trade and market interventions that are negatively affecting food markets. Through such partnerships, FAO will also support regional economic organizations in: the analysis of national policy reform options; their engagement with a wide range of stakeholders representing different interests across different countries in policy dialogue; advocacy of national policy reforms that increase the inclusiveness and efficiency of food and agricultural systems; and assisting national implementation of legislation and measures.

#### *Regional Initiative (SO4)*

#### **Agrarian structures in the Europe and Central Asian region**

247. The FAO programme on Agrarian Structures is designed to redress some of the imbalance in the policy landscape that is profoundly unfriendly to smallholders in the region. The program has three elements to support smallholders through improving the enabling and legislative environment. These are:

- a) Increase the inclusiveness of policies and public goods dealing with agrarian structures; Country workshops on raising awareness of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests; study on agricultural cooperatives and market integration; studies on enabling policy environment for water and pasture user organizations in Central Asia, Caucasus and Moldova; study on reducing food waste and losses; and assessment on agricultural innovation systems for smallholders in the region.
- b) Enhance public-private collaboration in countries of Europe and Central Asia for technical support to small farms through creation of a regional network for Central Asia on strengthening agricultural innovation capacities; and a pilot programme for development of food safety emergency response plans in Kyrgyzstan and Moldova; and
- c) Promote inclusive and efficient markets in the region in relation to international agreements.

#### ***Strategic Objective 5: Increase the resilience of livelihoods to threats and crises***

#### *Action Plan (preliminary version)*

#### **Context and rationale**

248. Each year, millions of people who depend on the production, marketing and consumption of crops, livestock, fish, forests and other natural resources are confronted by disasters and crises. They can strike suddenly - like an earthquake or a violent *coup d'état* - or unfold slowly - like drought-flood

cycles. They can occur as a single event, one can trigger another,<sup>36</sup> or multiple events can converge and interact simultaneously with cascading and magnified effects<sup>37</sup>. These emergencies threaten the production of, and access to, food at local, national and, at times, regional and global levels.

249. Public and private systems that provide support and protect livelihoods and rights are often inadequate, especially in low income, disaster-prone and protracted crisis countries. The poor in rural and urban areas are disproportionately affected, with poverty serving as both a driver and a consequence of inadequate livelihoods. Malnutrition may be both a direct impact of crises and related coping strategies households are compelled to adopt, as well as a driving factor threatening the resilience of livelihoods.

250. The inability of families, communities and institutions to anticipate, absorb, accommodate or recover from crises and disasters in a timely, efficient and sustainable manner is at the crux of this Strategic Objective. Weakness in resilience triggers a downward spiral - household livelihoods and national development gains that have taken years to build are compromised or at times shattered<sup>38</sup>.

### **Main factors underpinning the design of SO5**

#### *A planet at risk - disasters and crises on the rise*

251. The factors driving disasters and crises and related risk patterns facing populations and national authorities are complex and dynamic. They include: climate change, population growth and poverty, demographic factors such as migration and urbanization, political instability, economic forces, pathogen mutation/adaptation, ecosystem dysfunction and environmental degradation linked to scarcity of land, water, and energy among others. Rising population density in fragile and exposed rural and urban ecosystems (such as coastal, mountain and dryland areas) means that increasing numbers of people are exposed to heightened vulnerability and thus are at the mercy of disasters and crises.

252. A rough categorization of shocks is as follows:

- d) Natural disasters (e.g., geo-climatic and extreme weather events originating from natural hazards—droughts, floods, fires, landslides, volcanic eruptions, tsunamis, earthquakes, storms, extreme temperatures, hailstorms, etc.);
- e) Food chain emergencies of transboundary or technological threats (e.g. transboundary plant, forest, animal, aquatic and zoonotic pests and diseases, food safety events, radiological and nuclear emergencies, dam failures, industrial pollution, oil spills, etc);
- f) Socio-economic crises (e.g., the 2008 global food price crisis and more recent financial shocks);
- g) Violent conflicts (e.g., civil unrest, regime change, interstate conflicts, civil wars, etc.);
- h) Protracted crises (i.e. complex, prolonged emergencies that combine two or more aspects of the above-mentioned crises).

253. There is not a region of the world that is not at risk of one or more of these threats. Natural disasters are expected to be amplified by climate change. Already, the effects are clear: globally, related losses in 2011 totalled USD 264 billion, i.e. twice the level of Official Development Assistance. Food chain emergencies that result from transboundary threats of plant pests and animal diseases and food chain contamination and toxicity are also on the rise as a result of modern food production systems and the globalization of trade. Over the past decade, more than 75 percent of

<sup>36</sup> Examples include the rapid spread of Highly Pathogenic Avian Influenza, H5N1 subtype from Vietnam and China in early 2004 to more than 60 countries and territories or the transboundary spread of white spot syndrome virus in shrimp aquaculture.

<sup>37</sup> Examples include the earthquake, tsunami and nuclear disasters in Japan 2011 or the drought, conflict and locust emergencies in the Sahel in 2012.

<sup>38</sup> For FAO, “resilience” is the ability to prevent and to mitigate the impact of disasters and crises and to anticipate, absorb, accommodate or recover from them in a timely, efficient and sustainable manner. This includes protecting, restoring and improving food and agricultural systems in the face of threats that impact agriculture, nutrition, food security, and food safety (and related public health).

emerging diseases affecting humans originated in livestock and wildlife. Threats to human, animal and environmental health from existing and emerging pathogens are triggered by multiple, often inter-related factors associated with global development trends (population growth, urbanization, increasing demand for animal products, intensifying farming systems, land use change, increased human mobility, trade liberalization, etc.).

254. Since the Asian financial crisis of 1997-98, socio-economic shocks have had a manifest impact on the livelihoods, food security and nutrition of the poor in rural and urban areas. The 2008 global financial and economic crisis was estimated to have pushed an additional 100 million people into hunger in 2009<sup>39</sup>. Since 2007, the FAO food price index has pointed to a new era of high prices and unprecedented volatility<sup>40</sup>.

255. Countries that emerge from conflict often relapse. The downward trend in the number of conflicts since the dramatic peak of the early 1990s reversed in 2004. Although food insecurity is usually not a direct cause of violence, it does act as a threat multiplier for violent conflict when combined with other factors such as low development, a “youth bulge”, and high levels of socio-economic inequality<sup>41</sup>. Frequently, the poor and powerless are forcibly stripped of assets - savings, livestock, standing crops and food stocks - and dislocated from their home areas. In 2012, 42 million people were living as refugees or internally displaced persons, principally as a result of disasters and conflicts.

256. Protracted crises and fragile and conflict-affected countries are not necessarily the same, but there is a generally a strong overlap. Similarly, the characteristics of protracted crises and fragile states – weak institutional capacity, weak state legitimacy, poor governance, political instability, ongoing violence or the legacy of past violence – strongly converge, especially when also affected by natural disasters, transboundary plant pests and animal diseases, and/or socio-economic shocks. In 2010, more than 166 million undernourished people lived in countries in protracted crises, roughly 20 percent of the world’s undernourished people. A different development model is needed in these countries, as affirmed for example by the G7+ countries in the New Deal for Engagement in Fragile States<sup>42</sup>.

#### *Variable patterns of resilience and vulnerability*

257. At times of disasters and crises, many people have to rely on their own resources to protect their lives and livelihoods, families and communities. They may adopt new (or accelerate reliance on) harmful or risky coping strategies, such as compromising dietary intake and diversity, cutting *Acacia* trees to make charcoal, cultivating poppies for opium, slaughtering core breeding livestock, or sending family members on extended and risky migrations in search of jobs, pastures, firewood or water. These strategies may be effective in the short term or within a limited area, but they can undermine the resilience of ecosystems and communities.

258. The use of child labour in agriculture makes children and youth particularly vulnerable when households are forced to deepen their dependence on coping strategies. Some survival strategies have sharply negative consequences for the most vulnerable within households: children taken out of school, the elderly deprived of food, women denied access to health care, young men abducted into armed forces, girls forced into prostitution, etc. Many will take on unmanageable debts with no possibility of repayment, ultimately leading to a seizure of assets, such as land, imprisonment of debtors or, as a last resort, the forced marriage of children.

259. The nature, frequency, intensity, combination and duration of disasters and crises influence the nature of impacts on different groups and fragile ecologies. The impacts of disaster and crises are also strongly shaped by factors such as gender, age, educational and knowledge levels, socio-economic status, culture and other factors that govern access to resources. Countries in protracted crisis require special attention within a resilience agenda, given the exceptional role that agriculture,

<sup>39</sup> FAO: Food Security and the Financial Crisis, [ftp://ftp.fao.org/docrep/fao/meeting/018/k6360e.pdf](http://ftp.fao.org/docrep/fao/meeting/018/k6360e.pdf)

<sup>40</sup> FAO: High and Volatile Food Prices: FAO Support to Country Level Contingency Planning (2012).

<sup>41</sup> (Brinkman/Hendrix).

<sup>42</sup> <http://www.g7plus.org/new-deal-document/>

natural resources and the rural economy play in people's survival as well as the damage to food and agriculture systems caused by protracted crises.

260. Resilience to different shocks varies across and within households, urban and rural communities, ecosystems, countries and regions. In large part, this is due to countries' strategies and investments over time in disaster risk reduction (such as the successful risk reduction and disaster preparedness efforts in Bangladesh that have dramatically reduced mortality caused by major cyclones).

#### *Unmet needs*

261. The UN 2012 appeal for external humanitarian assistance was the largest ever: USD7.7 billion to assist 51 million people. Between 2000 and 2010, UN appeals were underfunded on average by one-third annually, with sudden onset natural disasters attracting more donor responses than protracted crises. International appeals for food aid requirements are the most consistently resourced, but appeals for agriculture based livelihoods are routinely less well funded, receiving on average less than half of the funding requested. Contributions are subject to the uncertainties of an ever-shortening international attention span and shrinking funding basis that moves from one crisis to the next, leaving the last one unresolved and the "forgotten emergencies" unaddressed.

#### *Humanitarian and transition protection and development assistance challenges*

262. Research and field practice have generated innovations to support risk reduction and management for agriculture and food security, but there is a chasm between knowledge and practice. Strategic links among humanitarian, development and investment initiatives are not adequately articulated or supported within a coherent architecture of international assistance. Investments in risk reduction and preparedness are dwarfed by the scale of requirements. For example, for the top 20 recipients of humanitarian assistance over the last decade only USD 0.62 out of every USD100 spent was invested in preparedness across all sectors, including agriculture.

263. Despite consensus on the need to link humanitarian, recovery and development strategies and assistance, there are significant gaps in funding for transition programmes<sup>43</sup> and insufficient coordination between emergency and development actors. The result in both emergency and transition settings (including protracted crises) is a critical imbalance in the Rome-based agencies "twin-track" approach, whereby short- and longer-term food security and livelihood challenges must be addressed complementarily and simultaneously. In addition, there is inadequate concern for the potential impact of supply-driven response on the resilience of producers and markets, and an imbalance in support for the breadth of food security dimensions: availability, access, stability and utilization. While significant investments are made in managing the symptoms of acute malnutrition in crisis situations, too little has been done to address its underlying causes through complementary humanitarian and development interventions.

264. With the growing erosion of resilience or increased vulnerability owing to a combination of shocks and stresses, local, national, regional and international emergency responses are too often inadequate or inappropriate even though investments in support of agriculture and natural resource-based livelihoods are a cost-effective means of managing risks. There is an urgent need to shift paradigm from crisis response to risk reduction measures by all concerned actors and to ensure that resilient livelihoods are a central condition for achieving sustainable development.

#### *The main ingredients of enhanced resilience*

265. Enhancing resilience must be the focus of greater political will, investment, coordination, technical expertise, innovation, knowledge management and shared responsibility for disaster risk reduction and crisis management by countries, local authorities, communities, civil society, the private sector, academia and the international community. Four main components may be highlighted.

266. First, the *capacities* of countries and other stakeholders for risk management (i.e., prevention, preparedness, mitigation, response, recovery and rehabilitation) need to be strengthened at all levels.

<sup>43</sup> INCAF 2009, CWGER 2008: studies on funding for transition.

This includes capacity for better coordination and articulation of public, private and international assistance before, during and after crisis. Some countries are able to manage crises better than others as a result of sustained investments of financial, technical and political resources to effectively address their multi-risk profiles.

267. Second, continued improvements are needed in information management, early warning, risk analysis and surveillance systems of multi hazards risks for agriculture, nutrition, food security and food safety (and relate public health issues) so as to provide more timely, accurate and actionable alerts to the benefit of rural and urban populations. The dynamics of risks and the consequences of crises need to be more sharply monitored and analyzed as well as links to institutions and processes that consistently trigger early, appropriate and effective actions. Such systems are best underpinned by a proactive focus on traditional knowledge, science, technologies, practices and approaches.

268. Third, while hazards are unavoidable, they need not become disasters. Disasters, conflicts, animal- and aquatic-related human health threats, food chain crises and socio-economic crisis can - and should - be prevented and mitigated. Robust risk-specific mitigation efforts to minimize the impact of disasters are imperative, especially when integrated and combined with climate change adaptation.<sup>44</sup> Resilience can and should be fostered in advance, as well as restored after crises, to better withstand the next, inevitable threat. The resilience of livelihoods must be protected and promoted and even in the midst of protracted crises and disasters, ensuring continued food production and safeguarding consumers.

269. Fourth, when people's capacities are overwhelmed by crises, they need to be able to count on effective local, national and international emergency responses, including humanitarian assistance and protection, expandable safety nets, crop insurance schemes and other forms of social protection adapted to aid at risk populations. This requires greater coherence and integration of humanitarian, development and investment strategies to support local and national institutions, buoyed by an effective global system of coordinated humanitarian actors.

#### *The centrality of strategic partnerships for results*

270. Building resilience in challenging institutional environments requires highly specialized expertise, enhanced partnerships across all stakeholder groups and institutional capacity and commitment. There are vital and complementary roles for research, technology, knowledge management, communication and advocacy in risk reduction and crisis management for food and agriculture. Comprehensive capacity development to enhance technical and functional skills on risk management for food and agriculture across the individual, organizational and policy levels are central to achieve meaningful and sustainable results.

#### **Action Plan**

271. SO5 builds on the multi-disciplinary collaborations that have underpinned the FAO DRR (Disaster Risk Reduction) Framework Programme for food and nutrition security. Increasing the resilience of agriculture- and natural resource-based livelihood systems remains the overarching goal and driving logic in the humanitarian-development continuum and related support to countries, as has been consistently pursued by the Organization.

272. In this spirit and in line with FAO's comparative advantages and extensive field experience, this Action Plan focuses on developing, protecting and restoring resilient livelihoods so that the integrity of societies that depend on farming, livestock, fish, forests and other natural resources is not threatened by crises. It adheres to the "twin-track" approach of taking immediate steps to support food and nutrition security, while simultaneously addressing the underlying factors driving disasters and crises. It will facilitate mainstreaming of risk reduction and preparedness, prevention, mitigation, response and recovery in the food and agriculture sectors through local, national, regional and international strategic programming processes involving humanitarian, development and investment actors before, during and after crisis.

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<sup>44</sup> The Rio+20 Declaration calls on key stakeholders to "commit to adequate, timely and predictable resources for disaster risk reduction in order to enhance the resilience of cities and communities to disasters".

273. FAO will bring to bear its unique relationship to Ministries in charge of agriculture, livestock, fisheries, forestry and the environment. It will draw on its proven capacity to lead and contribute to key international platforms and mechanisms for collective engagement in risk management. It will also fully exploit its arsenal of tested risk management measures, including for risk analysis (hazard identification, risk assessment, response options analysis and implementation) and risk communication, and its well established food security and food safety information and early warning systems. Based on its impartial and accurate assessments of crisis impacts and related requirements for food and agriculture, it will actively participate in mechanisms such as the UN appeals, emergency assessments, joint post-disaster and post-conflict assessments, and crop and food security assessments. FAO will continue to promote an expanded “One Health” agenda for collaborative, cross-sectoral and multidisciplinary approaches to address threats of infectious diseases at the livestock/wildlife-human-ecosystem interface.

274. Four mutually supportive Organizational Outcomes have been formulated with underlying major outputs, as elaborated below.

Organizational Outcome 1: Legal, policy and institutional systems and regulatory frameworks are enhanced for disaster and crisis risk management for food and agriculture.

Output 1.1: Strong national and international frameworks, protocols and standards promote resilient livelihoods and the management of risks that threaten agriculture, nutrition, food security and food safety (and related public health issues).

275. As part of a coherent livelihood-based resilience agenda at global, regional and national levels, work includes advocacy for the adoption of and compliance with international and regional conventions, treaties, laws, frameworks and guidelines<sup>45</sup> for DRR and crisis management with main focus on agriculture, nutrition and food security, food safety (and related public health issues). Strategic coordination and partnerships will be ensured, especially among humanitarian and development actors<sup>46</sup> and in direct support of the Hyogo Framework for Action (HFA). Upstream policy and programme advice is to address socio-economic challenges, such as food price volatility and transboundary plant pest, animal diseases and food safety threats.

Output 1.2: Disaster risk reduction and crisis risk management for agriculture, nutrition and food security, food safety, including risk gender sensitive approaches, are mainstreamed into specific sectoral (agriculture, livestock, fisheries, forestry and natural resources), cross-sectoral (nutrition, food security, food safety (and related public health issues)) and other relevant development policies, strategies, frameworks, plans and platforms.

276. FAO will advocate for risk reduction and crisis management to be mainstreamed into food and agriculture development policies, strategies, legal, regulatory and institutional frameworks, plans and programmes. Similarly, it is essential that multi-sectoral development strategies with food, nutrition and agriculture elements adequately address disaster risk reduction and crisis risk management. FAO will support this integration at both the national and regional levels, including in post-crisis and transition settings. At the global level, FAO will further capitalize on its guidance on Disaster Risk Management System Analysis.

Output 1.3: Strong country and local capacities facilitate implementation of international, regional, and national standards, norms and regulatory instruments for the management of risks affecting agriculture, nutrition, food security and food safety (and related public health issues).

277. Legal, policy and regulatory frameworks must translate into effective action at the regional, national and sub-national levels, down to the grassroots level of communities and individual households. Capacity-building to ensure resilient livelihoods will be pursued through collaborative initiatives such as farmers’ organizations, Farmer Field Schools (FFS), Livestock Field School (LFS), Community-based approaches (e.g. community-based fire management), resource management

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<sup>45</sup> Such as the Voluntary Guidelines on Land and Tenure of Natural Resources

<sup>46</sup> For example, the United Nations Development Group (UNDG) and the IASC, including the IASC cluster system

organizations and traders associations to disseminate and uphold standards, norms and regulations for disaster risk reduction and crisis management for food and agriculture systems.

Output 1.4: Investments in knowledge management and dissemination enable legal, policy and regulatory processes and institutions to identify, capture and apply lessons learned and good practices for gender sensitive disaster risk reduction, crisis management and related transitions for agriculture, nutrition, food security and food safety (and related public health issues).

278. A world where exposure to risks is increasingly “the norm” requires new and improved standards and guidance for risk management. Based on existing and expanding store of lessons learned and good practices for small holders (e.g. technologies and practices for small agricultural producers (TECA) database, forest fire and law guide for national drafters, protecting and promoting good nutrition in crisis recovery, etc.) FAO will support active multi-stakeholders partnerships and networks for learning at global, regional, national and sub-national levels. Beneficiaries include: international institutions, national agencies, civil society, academia, the private sector, and local community organizations. Particular attention will be given to platforms for communities to generate knowledge and empowerment for food and agriculture risk reduction and crisis management at local levels.

Organizational Outcome 2: Known and emerging food, nutrition and agriculture threats are identified, forecasted, analyzed, monitored and trigger appropriate decisions and actions.

279. This encompasses key areas of work on: risk assessment and communication, horizon scanning, surveillance and monitoring, early warning, analysis and information dissemination for decision making on multi-hazard risks for agriculture, nutrition, food security and food safety (and related public health issues).

Output 2.1: Mechanisms to identify, monitor and provide timely and actionable early warning for short, medium and longer term risks to agriculture, nutrition, food security and food safety (and related public health issues) are in place and enhanced for threats at the global, regional, national and local levels.

280. Consensus for inclusive and transparent decision making will be promoted through *inter alia* risk communication, stakeholder participation, development of common classification tools, and response analysis. FAO will strengthen its global public goods in this area, with focus on trend analysis, including for emerging threats for systems at risk and protracted crises. It will also seek to enhance, harmonize and build coherence and complementarities of integrated systems of monitoring, early warning and analysis of hazards and risks to agriculture, nutrition, food security and food safety. Building national systems will cover in particular the formulation of effective socio-economic and biophysical monitoring strategies and multi-disciplinary and cross-sectoral mechanisms and capacities.

Output 2.2: Improved capacities of countries and communities to identify monitor and evaluate risks; conduct needs assessment and response analysis; and, act on impending threats to agriculture, nutrition, food security and food safety (and related public health issues).

281. With particular attention to “hot spot” areas, FAO will support the engagement and capacities of regional, national and local authorities in multi-hazard risk mapping that draws on tools such as seasonal climate forecasting, rapid risk assessments, risk communication, and response options analysis. The participation of both men and women in assessments and in shaping responses is key to effective information and early warning systems, as is the collection of sex- and age-disaggregated data. In this connection, participatory approaches, such as causal analysis of disaster- and crisis-related food and nutrition insecurity, have proven effective.

Organizational Outcome 3: Capacities are strengthened for prevention as well as for impact mitigation to reduce the probability and severity of disasters and crises that threaten food and agriculture systems.

Output 3.1: Strategies and related interventions improve the resilience of livelihoods systems at risk through prevention and mitigation efforts that minimize the potential impacts of disasters and crises on food and agriculture systems at national, sub-national and community levels.

282. Strategies and programmes should enlarge livelihood options of vulnerable households and link those options with broader social protection opportunities. This includes consumer awareness and

skills to manage food-related threats. FAO will support governments and communities in diversifying and, if sustainable, intensifying livelihood systems in ways that create productive coping and adaptive capacities for vulnerable men and women. Work with partners will address increased access, availability and quality of social protection (including safety nets, conditional transfers, crop/livestock micro-insurance, etc.) as one pillar of livelihood diversification for at risk populations.

Output 3.2: Guidance in the design and implementation of sectoral and infrastructure prevention and rehabilitation programmes results in “crisis-proof” agriculture production and marketing systems for at risk livelihoods and ecosystems.

283. Proven interventions to strengthen resilience include flood-proof irrigation canals, weather-proof small scale farm infrastructure (e.g. seed storage, cattle shelters and market structures built to resist heavy snowfall, hurricanes or floods) and water harvesting and soil conservation measures to reduce risks from droughts and other hazards. Building on known experience in rehabilitating infrastructure and designing production and marketing systems in post-conflict and in post-disaster and transition settings, FAO will disseminate further guidance material and work with governments and partners in its application.

Output 3.3: Conflict-sensitive programmes on food and agriculture reduce the risks of localized conflicts relating to access to grazing and farming lands, water, trees and other natural resources and fishing grounds.

284. A context of violence can transform some household and communal assets into liabilities that threaten lives and livelihoods, reflecting the double-edged role of natural resources as both keys to survival and primary attractants of violent attacks. Properly understanding these dynamics and tailoring agriculture and natural resource initiatives accordingly can reduce risks and contribute to lasting peace and stability, especially in transition conditions. Together with governments and communities FAO will analyse and mitigate conflict risks that are embedded in agrarian systems, including promoting adherence to conventions, laws, rights, guidelines and standards to protect food and agriculture in conflict situations.

Output 3.4: Disaster risk reduction experiences, technologies and good practices for food and agriculture are documented, piloted and disseminated for wider application before, during and after crises.

285. Investments that help vulnerable populations withstand shocks and cope with crises have been promoted over many years, including as regards crop diversification, soil conservation (conservation agriculture), agroforestry, catchment area management, water harvesting, village cereals banks, and communal land and water access agreements. FAO will support further piloting and dissemination of new technologies and practices, emphasizing their application in specific agro-ecological areas at risk of disasters and crises, taking account of prevailing socio-economic and cultural contexts. Through better knowledge, the actual innovative, coping and livelihood strategies of producers and their community will inform wider disaster preparedness, response, recovery and transition strategies and actions. FAO will also support the dissemination of this knowledge, in cooperation with governments, the private sector and extension services.

Organizational Outcome 4: Disasters and crises affecting agriculture and food systems are effectively and accountably managed, including preparedness, robust responses and effective post-crisis transitions.

286. Work includes longer-term strategies to develop the capacities of “first responders”, i.e., those closest to affected populations that can react quickly and effectively. It will also emphasize initiatives to enhance the effectiveness of FAO’s humanitarian and recovery operations.

Output 4.1: Humanitarian action effectively protects lives and livelihoods of farmers, herders, fishers, forest and tree dependent communities and marginal groups in times of crises.

287. Assistance must be delivered in ways consistent with humanitarian principles. This includes the need to advocate for the protection of people (including those displaced by crises), their access to assets, and agriculture production and marketing systems based on international, regional and national

conventions, and laws and customs. FAO is to support governmental efforts or - when requested and as needed - lead, coordinate, mobilize resources and implement humanitarian action in affected countries. To be effective in these roles, FAO will ensure readiness through regularly maintained rapid response capacities governed by Standard Operating Procedures. Likewise, assistance will cover the formulation and maintenance of national preparedness and contingency plans for the management of threats to food and agriculture systems.

288. In concert with attention to its own crisis management capabilities, FAO will seek to enhance the capacity of countries and other humanitarian partners in terms of technical leadership, advocacy and coordination support for crises affecting the food and agriculture systems. Hence, capacity development will aim at more accountable and robust humanitarian engagements, as well as in dealing with post-crisis rehabilitation, transition and longer-term development. Examples of preventative action in advance of (and during or after) crises is to address availability, accessibility, stability, safety and quality of food supplies, such as the establishment of local seed multiplication systems which are particularly important for ensuring for the timely availability of quality and adapted (with shorter cycle) seeds to vulnerable small holders.

Output 4.2: Global, regional, national and sub-national actors coordinate effective preparedness and responses to disasters, socio-economic-political crises, transboundary pests and diseases, food safety hazards, and in protracted crisis situations.

289. As co-lead of the Global Food Security Cluster and IASC “provider of last resort” in food security emergencies, FAO will promote multi-year funding for crisis impact mitigation, preparedness, response and recovery particularly in support of government-led, regional and international plans and interventions. Successful implementation of these strategies depends on enhanced links between and within sub-national, national, regional and international agriculture, food security and safety, and nutrition actors.

Output 4.3: Disaster risk reduction and crisis management good practices and knowledge products are developed, disseminated and applied during disaster and crisis management efforts for agriculture, nutrition, food security and food safety (and related public health issues).

290. Knowledge and good practices learned in emergency programmes can be applied also to longer-term crisis risk management, especially in recurrent crisis and conflict situations. FAO will seek to strengthen its relationships of accountability with “at risk” populations, governments, and other partners, including participatory community feedback mechanisms to shape the direction of crisis management engagements. FAO will also promote gender-sensitive impact assessments and peer reviewed food and agriculture emergency programmes. Contributions will be made to humanitarian learning networks, such as the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP) and MICROCON, as well as risk reduction and crisis management platforms at global, regional and national levels (such as the UNISDR Global Platform on DRR, the Davos Risk Forum, the African Union’s regional mechanisms to target issues of drought and climate change and conflict early-warning systems, etc.).

### ***Regional Initiative (SO5)***

#### **The Sahel and the Horn of Africa**

291. The key ministries and local governments responsible for food and nutrition security are inadequately prepared for handling increasingly complex hazard and risk profiles. Disasters and crises can overwhelm even the strongest of countries and the most prepared of institutions, as the “mega-disasters” in recent years have demonstrated. FAO’s Regional Conferences and Technical Committees have called for consistent support to countries and at risk populations for crisis and disaster risk reduction, prevention, preparedness, mitigation, response and recovery, effective biosecurity governance and climate change mitigation and adaptation. At the same time, diversity and specificity among regions will need to be taken into account. This Regional Initiative is to address two regions in Africa especially prone to multihazards and disasters: the Sahel and the Horn.

292. Across such a highly diverse area, threats to resilient livelihoods include: droughts, floods and other natural disasters (cyclones, earthquake, tsunami); HIV and AIDS; expanding arid and semi-arid

areas; impacts of climate change; water shortages; locust infestations; protracted crises; transboundary animal health threats; pastoralist-farmer conflicts; food safety threats; and forest and other vegetation fires. This requires multi-disciplinary capacity development for overarching resilience work in terms of coherent emergency, development, investment and policy interventions.

293. Under each of the four expected outcomes, the priorities for the Sahel and the Horn of Africa under this Strategic Objective include:

Outcome 1: Legal, policy and institutional systems and regulatory frameworks are enhanced for disaster and crisis risk management for agriculture, nutrition, food security and food safety (and related public health issues).

- a) In two pilot countries in the Sahel and two pilot countries in the HoA, food and agricultural issues are mainstreamed into policies and institutional mechanisms for multi-hazard DRR and crisis management. Conversely, food and agricultural policies and strategies embed DRR and crises management approaches.
- b) An effective collaboration is established with the CILSS and IGAD Regional Platforms for Disaster, Resilience and Sustainability to facilitate the implementation of DRR and crisis management for food and agriculture policies and institutional mechanisms in focal countries.

Outcome 2: Known and emerging food, nutrition and agriculture threats are identified, forecasted, analyzed, monitored and trigger appropriate decisions and actions.

- a) FAO country teams capacity are strengthened on multi hazard risks mapping, analysis, assessments and monitoring in order to support the design a coherent resilience building programmes.
- b) The joint FAO-WFP Integrated Strategy for Food and Nutrition Security is launched in the HoA and the Sahel focal countries.

Outcome 3: Capacities are strengthened for prevention as well as for impact mitigation to reduce the probability and severity of disasters and crises that threaten food and agriculture systems.

- a) Good resilience-building practices adopted in the Horn and the Sahel countries as part of disaster risk reduction programmes and humanitarian actions for food and agriculture are collected, documented and disseminated.
- b) Cost-benefit analysis of the economic, environmental and social aspects of FAO's food and work in disaster risk reduction and crisis management for food and agriculture in the Horn of Africa and Sahel are supported.
- c) In collaboration with government and regional bodies, technical and strategic guidance are developed for the design and implementations of sectoral and infrastructure rehabilitation programmes for "crisis-proofed" agriculture production and marketing systems of at risk livelihoods and systems in the Sahel and the HoA.
- d) In collaboration with government and regional bodies, programming guidance for FAO and Ministries of Agriculture, Livestock, Fisheries, Forestry and Environment is developed for conflict-sensitive programmes reducing the risks of localized conflicts relating to access to grazing lands, water, trees and other natural resources and fishing grounds.

Outcome 4: Disasters and crises affecting agriculture and food systems are effectively and accountably managed, including preparedness, robust responses and effective post-crisis transitions.

- a) A programme for minimum competencies in risk reduction, humanitarian action and resilient livelihood interventions is developed and implemented for staff working in the countries of the Sahel and the Horn of Africa.
- b) The technical pertinence and highest relevance of FAO's crisis responses for resilient livelihoods is optimised.
- c) An in-depth review of FAO's responses to the crises in the Sahel and the Horn of Africa is conducted applying the IASC accountability framework to affected populations.