


March 2013

	منظمة الأغذية والزراعة للأمم المتحدة	联合国 粮食及 农业组织	Food and Agriculture Organization of the United Nations	Organisation des Nations Unies pour l'alimentation et l'agriculture	Продовольственная и сельскохозяйственная организация Объединенных Наций	Organización de las Naciones Unidas para la Alimentación y la Agricultura
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PROGRAMME COMMITTEE

Hundred and Thirteenth Session

Rome, 18 - 22 March 2013

Evaluation of FAO's Role in Investment for Food and Nutrition Security, Agriculture and Rural Development

MANAGEMENT RESPONSE

General Response

1. FAO Management welcomes the findings and recommendations of the *Evaluation of FAO's role in investment for food and nutrition security, agriculture and rural development* (FNSARD). Management appreciates the Evaluation's acknowledgement of FAO's critical role in providing investment support services in FNSARD to its member countries, its "unique global asset" in the Investment Centre Division's (TCI) human resources, and the lead role FAO should play in the international community on FNSARD investment matters.
2. Management appreciates the forward-looking focus of the Evaluation, taking into account the changing development environment, new and evolving actors and partnerships, particularly at the international level, and FAO's reviewed Strategic Framework. Management notes that the Evaluation's scope is limited to investments by governments and the corporate private sector, excluding issues related to small and medium enterprises and to on-farm investments by individual farmers, which the State of Food and Agriculture 2012 highlighted as the largest share of agricultural investment.
3. The Evaluation is particularly important and timely given the increased and sustained recognition of the importance of investment in agriculture for food security, poverty reduction, resilience, sustainability and growth, since the food price spike in 2007-2008.
4. Management is pleased with the finding that the Organization has followed the recommendations of the Independent External Evaluation (IEE) in diversifying its investment work towards greater engagement in upstream, strategy and capacity development work. Management acknowledges that progress in this diversification within available resources is a continuing challenge and that further efforts are required.
5. Management welcomes the acknowledgement of the importance of FAO's normative work for investment, such as the work on standards, norms, and international instruments, the provision of

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global public goods, in particular statistics and analysis, recognising that stronger links must be forged between the global work and country level policy and investment support.

6. Management appreciates the Evaluation's emphasis on partnerships, existing and new, recognising that FNSARD investment challenges can only be addressed through concerted efforts and results-based collaboration between public, private and civil society partners. FAO notes the Evaluation's emphasis on strengthening FAO's engagement at strategic and operational levels with the private sector, in particular the corporate private sector, which has emerged as a major international player in FNSARD strategic thinking. In this regard, Management would have welcomed more targeted guidance on FAO's specific role in engaging with the corporate private sector and on the key international and regional fora and processes for FAO to focus its engagement.

7. Management welcomes the Evaluation's emphasis on working as "one FAO" in support of FNSARD investment and its acknowledgement of increased, but still insufficient cross-departmental collaboration. Management concurs that the reviewed Strategic Framework presents an opportunity to embed systematic cross-divisional collaboration into FAO's support to investment, bringing FAO's technical knowledge to bear on investments in FNSARD.

8. The Evaluation has taken place in a rapidly evolving context, in particular the review of FAO's Strategic Framework and preparation of a new Medium Term Plan 2014-17 and Programme of Work and Budget 2014-15, transformational change and institutional reform, not least the restructuring of the Technical Cooperation Department in 2012, and renewed emphasis on decentralization. In this context Management welcomes the carefully considered approach adopted by the team with respect to decentralization, reflecting the specific requirements of investment support services delivery by FAO.

9. Management notes the important link of this Evaluation to the recently-concluded policy evaluation¹ and recognises the need for a coordinated implementation of their follow-up actions. Management notes the considerable resource implications of implementing the recommendations related to the significant upgrading of FAO's investment support services and their further diversification to strengthen sector and capacity development work.

10. Overall, Management agrees with the recommendations and proposes refinements to lead to their implementation in support of the reviewed Strategic Framework and new Medium Term Plan, noting that implementation will culminate in 2014 as FAO will celebrate the 50th anniversary of providing investment support to its member countries.

¹ PC 110/5; PC 110/5 Sup.1

Management response matrix to the Evaluation of FAO's Role in Investment for Food and Nutrition Security, Agriculture and Rural Development

Evaluation Recommendation	Management Response	Action to be taken	Responsible Unit	Timeframe	Further funding required? (Y/N)
<p>Recommendation I: Develop an FAO Strategy for Support to Investment. FAO should lead the international community in integrating FNSARD development goals into investment, to help achieve country objectives and regain its role in leading the global agriculture system. The Strategy should include metrics linked to the new SF goals to motivate guide and inform investors to help achieve FAO's strategic objectives, and link closely to FAO's policy support activities at country and global levels, in order to ensure a continuum of advice and support from policy through investment to implementation. FAO should commit to interlinked actions at the global, regional and country level to achieve more and better public and private investment aligned to country-driven multi-sector strategies (including through support to FAO's CPF process in countries), and to develop country capacities for evidence-based alignment of all agriculture investment (public and private) with these country strategies. To achieve this, the Organization must map in-house capacity and develop a strategy to fill gaps through recruitment or partnerships, to deliver effective investment policy, promotion and facilitation.</p>	<p>Accepted FAO will develop a Strategic Plan to spell out how investment contributes to the achievement of its new Strategic Objectives building upon its comparative advantage and core functions. The Plan will also provide for further strengthening of FAO's role in support of achieving existing FNSARD strategies, in particular the Comprehensive Framework for Action.</p>	<p>1. Map existing strategic processes and fora on FNSARD investments at global and regional levels. 2. Develop a Strategic Plan on investment support linked to the strategy for FAO's policy assistance and outlining entry points for investment support (including through CPFs). 3. Consult closely with Rome-based agencies (RBAs) and International Financial Institution (IFI) partners, as well as other key investment stakeholders (such as producer organizations, private sector, research and academia, foundation and civil society organizations).</p>	<p>TCI and ES in consultation with the Departments and ROs. TCI and ES in consultation with the Departments and ROs. TCI, ES, OCP, DDG-O, OSD, OCP</p>	<p>2013 2013 Mid-2014</p>	<p>No No No</p>
<p>Recommendation II: Strengthen external partnerships to better support investment for FNSARD, in particular with the corporate private sector and with IFIs, with the result that FNSARD goals are achieved by harnessing and scaling up private sector commitment to development. FAO should strengthen its interaction with the private sector (including private foundations) by engaging more</p>	<p>Accepted</p>	<p>1. Assess specific partnership opportunities with the private sector, including consideration of appropriate fora and committees for dialogue and collaboration.</p>	<p>OCP, TCI, ES in consultation with SO coordinators, Departments and ROs.</p>	<p>2014</p>	<p>No</p>

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effectively with the newer global public-private development partnerships concerned with FNSARD investment, contributing to FAO's knowledge; supporting regional platforms for dialogue on private sector investment issues; and helping national governments to improve the enabling environment for private investment consistent with their FNSARD goals. FAO should further achieve a stronger and more strategic relationship with IFIs in support of FAO's global goals and countries' multi-sector strategies by reviewing each FAO/IFI relationship to agree on future collaboration and holding summit-level discussions with IFI presidents to agree on collaboration to achieve common FNSARD goals over a 10 year period.		<p>2. Enhance FAO's engagement in key new and emerging international partnerships processes (global and regional).</p> <p>3. Review existing agreements with IFI partners and identify opportunities for strategic focus and strengthen and expand partnerships with IFIs who have a strong private sector focus.</p> <p>4. Explore opportunities for, and build partnership with universities, research and training institutions, and foundations to enhance upstream, policy and capacity development work.</p>	<p>“</p> <p>“</p> <p>“</p>	<p>2013</p> <p>2014-15</p> <p>2014-15</p>	<p>No</p> <p>Yes</p> <p>No</p>
<p>Recommendation III. Strengthen cross-divisional action, working as “One FAO”, in support of FNSARD investment.</p> <p>FAO should commit to supporting investments as an organizational priority and ensure that it acts as “One FAO”. Support to investment should be included more explicitly in the core functions and clearly linked to policy support. FAO should improve internal work planning mechanisms and remove financial and other disincentives that hinder inter-divisional work.</p>	Accepted	<p>1. Clarify and elaborate the core functions related to FAO's investment and policy support and their application in the reviewed Strategic Framework and new Medium Term Plan, linked to the strategy for FAO's policy assistance under development.</p> <p>2. Reflect investment and policy-related core functions in the Strategic Objective Action Plans.</p>	<p>TCI, ES, OSP in consultation with SO coordinators, Departments and ROs</p> <p>“</p>	<p>2013</p> <p>2013</p>	<p>No</p> <p>No</p>

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		3. Assess and apply practical incentives to enhance cross-divisional work in support of investment.	“	2013	Yes
<p>Recommendation IV. Strengthen work on increasing country capacity in all aspects of the investment cycle in FNSARD.</p> <p>Capacity Development is one of the five Common Country Programming Principles and a Core Function of FAO, However, FAO has not fully delivered on its objective on capacity development for investment, regular programme funding has been inadequate and the internal skill base is insufficient. There is wide agreement that FAO should expand and upgrade its work in this area, also addressing upstream work on policy dialogue and strategic planning for investment and strengthening institutional as well as technical capacity to support all phases of the investment cycle. Resource allocation must be commensurate with the importance of CD for investment support. TCI should further strengthen internal collaboration with OEK. FAO should improve relevant skills in TCI and other FAO units, with TCI acting as principal source of internal capacity development support. TCI should work with FAORs in particular, as well as other decentralised staff (e. g. out-posted TCI staff) to build up their understanding and ability in capacity development for investment.</p>	Accepted	<p>1. Prepare strategy note on capacity development (CD) for investment support to member countries (linked to Recommendation I).</p> <p>2. Allocate resources to CD for investment with adequate time horizon for institutional CD in the Strategic Objective Action Plans.</p> <p>3. Develop and implement internal training programme (targeted to specific needs in technical divisions and DOs) and complementary guidance tools.</p>	<p>TCI and OEK, in consultation with the Departments and decentralized offices (DOs)</p> <p>Strategic Objective coordinators, ROs</p> <p>TCI with CSP, OSD, OCP</p>	<p>2013</p> <p>2014-15</p> <p>2014-15</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>
<p>Recommendation V. Expand and strengthen the role of TCI in supporting FNSARD investment.</p> <p>In order to ensure that TCI remains a global centre of excellence in investment support for FNSARD with capacities in strategy, policy and project work, FAO must strengthen and expand TCI's capacity to meet rapidly</p>	Accepted	1. Develop staffing plan with required skill mix for expansion (linked to the implementation plan of the proposed Strategic Plan (Recommendation I).	TCI, OHR, CSP	2013	No

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growing demand for investment support services. TCI should expand its core activities relating to project design and implementation support, and diversify its support services to develop country level capacity for FNSARD and support upstream planning and policy work (in line with the 2012 policy evaluation). Support for investment by FAO should be broadened by developing capacity in the technical divisions, and increased collaboration at all levels and locations of the Organization. Required resources should be secured through creation of a multi-sourced trust fund of the order of USD 50-75 million over 10 years.. Decentralisation of TCI staff should be based on selective field assignments and based upon efficiency.	should rather complement technical divisions and DOs with the specific expertise to bring FAO's knowledge to bear on sustainable FNSARD investments.	2. Mobilize and allocate resources to support TCI expansion, in particular through a multi-sourced trust fund. 3. Expand upstream and policy work for investment in close consultation and collaboration with the FAO policy team and other relevant divisions.	TCS with support from CSF, OSP, LEG, TCI TCI, ES, and policy units in the Departments and DOs, OSD, OCP, DDO	2014-15 2014-15	Yes Yes