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Food and Agriculture
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Продовольственная и
сельскохозяйственная организация
Объединенных Наций

Organización de las
Naciones Unidas para la
Alimentación y la Agricultura

منظمة
الغذية والزراعة
للأمم المتحدة

PROGRAMME COMMITTEE

Hundred and Twenty-second Session

Rome, 6-10 November 2017

**Evaluation of FAO's contribution to inclusive and efficient
agricultural and food systems (SO4)**

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THEMATIC EVALUATION SERIES

**Evaluation of FAO's Contribution to
Strategic Objective 4:
Enabling Inclusive and Efficient
Agricultural and Food Systems**

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

OFFICE OF EVALUATION

October 2017

Table of Contents

I. Introduction.....	5
II. FAO's strategy and programme under SP4	7
III. Assessment of strategic relevance of activities under SP4	10
III.1 Relevance of SP4	10
III.2 Conceptual clarity on SP4.....	15
III.3.....SP4's approach in support of enabling inclusive and efficient agricultural and food systems.....	18
IV FAO's comparative advantage and value added under SP4	19
V. Cross-SP Synergies.....	22
VI. Integrating cross-cutting issues.....	23
VII. Assessment of contribution to results	24
VIII. Contribution to Gender Objectives	31
IX. Contributions of SP4 to the SDGs.....	32
XI. Assessment of enabling/limiting factors for results and sustainability of results.	34
X. Partnerships	35
XII. Conclusions.....	37
XIII. Recommendations	41

Acronyms and Abbreviations

CABFIN	Improving Capacity Building in Rural Finance
CODEX	Codex Alimentarius
CPF	Country Programming Framework
DFID	Department for International Development
DPS	Partnerships and South-South Cooperation Division
EBRD	European Bank for Reconstruction and Development
ECOWAS	Economic Community of West African States
ECTAD	Emergency Centre for Transboundary Animal Diseases
EIF	Enhanced Integrated Framework
FIRST	Food and Nutrition Security Impact, Resilience, Sustainability and Transformation
FLEGT	Forest Law Enforcement, Governance and Trade
FLW	Food Losses and Waste
FMM	Multipartner Programme Support Mechanism
FPMIS	Field Programme Management Information System
GIZ/BMZ	Deutsche Gesellschaft für Internationale Zusammenarbeit/Federal Ministry for Economic Cooperation and Development
IFAD	International Fund for Agricultural Development
IFIs	International Financial Institutions
ILO	International Labour Organization
IPPC	International Plant Protection Convention
ITC	International Trade Centre
LDCs	Least Developed Countries
LFSP	Livelihood and Food Security Programme (LFSP)
LoG	Liaison Office with the United Nations (Geneva)
MAFAP	Monitoring and Analysing Food and Agricultural Policies
MTP	Medium Term Plan
OIE	World Organisation for Animal Health
RAF	Regional Office for Africa
RAP	Regional Office for Asia and the Pacific
REU	Regional Office for Europe and Central Asia
RI	Regional Initiative
SDGs	Sustainable Development Goals
SME	Small and Medium-sized enterprises
SPS	Sanitary and Phytosanitary
TCI	Investment Centre Division
TCP	Technical Cooperation Programme
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
USD	United States Dollar
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organisation

I. Introduction

1. At its 116th session (November 2014),¹ the Programme Committee of the Food and Agriculture Organization of the United Nations (FAO) endorsed the Indicative Rolling Work Plan of Strategic and Programme Evaluation 2015-17.² In each Programme Committee session, one thematic evaluation was presented related to FAO's Strategic Objectives. Against this background, this report presents the evaluation of Strategic Objective 4 (SO4) on inclusive and efficient agricultural and food systems.
2. The main objectives of this evaluation are to support FAO's member countries and FAO's management in assessing progress towards the SOs, and to examine how the reviewed strategic framework has added value to FAO's efforts to promote inclusive, efficient agricultural and food systems. In particular, this evaluation will:
 - Assess the soundness and effectiveness of the Strategic Programme (SP4) intervention logic and delivery mechanisms;
 - Examine how the reviewed strategic orientation has added value to FAO's efforts to enable more inclusive and efficient agricultural and food systems, and what results are evident in this regard;
 - Based on the above, provide strategic recommendations for FAO (particularly the Strategic Programme Management Team).
3. As the Strategic Framework (SF) was adopted in 2013, the evaluation covers FAO's work delivered/planned in the periods 2014-15 and 2016-17. The approach of this evaluation was to evaluate FAO's overall contribution to SO4, through SP4-led activities and other efforts as appropriate.³ Country case studies and an evaluation of the Regional Initiative in Europe and Central Asia⁴ were reviewed, and triangulation of additional sources of qualitative and quantitative data was undertaken to inform assessments against these dimensions.
4. The full list of evaluation questions is presented in Box 1.

¹ CL 150/5 - Report of the 116th Session of the Programme Committee, November 2014.

² PC 116/5 - Indicative Rolling Work Plan of Strategic and Programme Evaluation 2015-17, November 2014.

³ There are many cross-SO activities given the nature of inclusive value chain development. The evaluation identified many projects that were tagged under other SOs, but also had SO4 elements such as market linkages, food safety etc. For example, the ECTAD programme under SO5, and the Livelihood and Food Security Programme (LFSP) in Zimbabwe tagged to SO2.

⁴ Building on the findings of an evaluability assessment of SP4, the evaluation identified the Regional Initiative on Improving Agrifood Trade and Market Integration that was implemented in Europe and Central Asia as a case study for this evaluation given that it encapsulates all SP4 elements in its design, as well as being well advanced in implementation amongst the three regional initiatives under SP4.

Box 1. Evaluation questions

Strategic relevance:

- Conceptual clarity – Is there a common understanding of inclusive and efficient agricultural and food systems across the programme and within FAO? How are the concepts translated into programme/project design? How are the cross-cutting themes of climate change, nutrition and governance integrated into the programme?
- To what extent are FAO's gender equality objectives addressed by the programme?
- What are SP4's areas of comparative advantage?

Contribution to results

- What is the progress toward stated results at global, regional and national levels that FAO has contributed to so far through its work under SP4?
- Has the enunciation of SO4 resulted in improved programming leading to evidence of more inclusive and efficient agricultural and food systems?
- What is the progress toward results against FAO's gender equality objectives that SP4 has contributed to so far?
- What are enabling and limiting factors that contribute to the achievement of results and what actions need to be taken to contribute toward sustainability of the results?

Implementation modalities

- Relevance and effectiveness of Regional Initiatives?
- To what extent is learning from initiatives implemented in the field feeding into the global approach and vice-versa?
- Adequacy of backstopping provided by headquarters and Regional Offices?
- To what extent has FAO's approach for engaging with key partners been effective?

Methodology

5. The evaluation used multiple sources for data collection and mixed-methods for analysis, validation and triangulation of evidence against the evaluation questions. Sources of data and methods of collection include: document review and analysis; meta-analysis of evidence from FAO's Office of Evaluation (OED) and other evaluations; interviews with FAO staff, partners and stakeholders at headquarters, regional and country levels (over 600 persons); five surveys; and country studies.
6. The following countries were visited by the evaluation team:⁵
 - *Africa*: Ethiopia, Ghana, Rwanda, Senegal, The Gambia, Zimbabwe;
 - *Asia and the Pacific*: India, Viet Nam, Thailand;
 - *Latin America and the Caribbean*: Barbados, Jamaica, Bolivia, Chile, Colombia, Mexico;
 - *Europe and Central Asia*: Hungary, Ukraine, Moldova, Tajikistan, Switzerland;
 - *Near East*: Egypt, Tunisia.
7. The SO4 evaluation also drew upon findings from the following recently concluded or ongoing Country Programme Evaluations: Cameroon, Kenya, Tanzania, Bangladesh, Pakistan, Myanmar, Guatemala, Caribbean States, Kyrgyzstan, Saudi Arabia and the Evaluation of FAO's Programme in West Bank and Gaza Strip.

⁵ The criteria for selection of the countries is presented in the Terms of Reference for the evaluation in Annex 4.

Limitations

8. Although SP4 has been included in the Corporate Outcome Assessment 2017 which will assess the outcome level results for the period 2014-2017 at the end of 2017, it was not included in the Corporate Baseline and Outcome Assessments that were conducted in 2014-2015; hence no baselines or related data were available for the programme at the time of this evaluation.
9. During the evaluation it was evident that there are mixed approaches to tagging projects to one or more SP. Many projects were tagged under other SOs, but arguably had a significant SO4 focus. This was clear in some large projects, such as the Livelihood and Food Security Programme (LFSP) project, some European Union projects in Zimbabwe, and the food safety projects in Bangladesh. This created challenges in terms of getting a clear picture of the portfolio under SP4. Nonetheless, these projects were included in the analysis where appropriate.
10. Linked to the issue of tagging, many activities tagged as SO4 were ongoing before 2014, making it difficult to link contributions to SO4.
11. The evaluation administered five surveys to obtain stakeholder perceptions on a number of areas of work. Apart from the survey of gender focal points, there were limited responses to the surveys and the quantitative data was not useable for those surveys. However, the qualitative comments received have been considered.

II. *FAO's strategy and programme under SP4*

12. SP4 reflects the significant international dimension of agriculture and food systems, and recognizes trade as an important element of food security and economic and social well-being. The counteracting influences of globalisation, concentration, modernisation and industrialization in agriculture (including forestry and fisheries) contribute to efficiency gains for food systems; however, these elements also create competitive barriers that marginalise smaller scale players, including less developed countries.
13. FAO's SP4 recognises that building 'Inclusive and Efficient Agriculture and Food Systems' will require the participation of member countries and actions at global, regional and country level to attain the aim of a world without hunger. Food systems will need to optimise resource efficiencies in the production and delivery of cost-effective, healthy and safe products for all, while ensuring the inclusion and integration of smallholder producers, vulnerable consumer groups and economically weaker countries into food systems.
14. For the period 2014-2017, SP4 seeks to contribute to SO4 by addressing three outcomes: strengthened international agreements, mechanisms and standards (Outcome 4.1); policies and programmes for efficient business models for agricultural and food value chain development including focus on loss and waste minimisation (Outcome 4.2); and supportive policies, financial instruments and investments that improve incentives for small- scale actors (Outcome 4.3).
15. SP4 addresses these three outcomes through specific interventions under ten outputs. The SP4 results framework as approved by FAO member States for the period 2014-2017, is presented in Table 1, and reporting against indicator targets is presented in Annex 2.

Table 1. SP4 Results Framework (2014-2017)

<p><u>Strategic Objective:</u> Enable more inclusive and efficient agricultural and food systems</p> <p><u>Outcome 4.1:</u> International agreements, mechanisms and standards that promote more efficient and inclusive trade and markets are formulated and implemented by countries.</p> <ul style="list-style-type: none"> - <u>Output 4.1.1:</u> New and revised international standards for food safety and quality and plant health are formulated and agreed by countries and serve as references for international harmonization. - <u>Output 4.1.2:</u> Countries and their regional economic communities are supported to engage effectively in the formulation and implementation of international agreements, regulations, mechanisms and frameworks that promote transparent markets and enhanced global and regional market opportunities. - <u>Output 4.1.3:</u> Governments and national stakeholders are provided with up-to-date information and analysis to design and implement efficient and inclusive market and trade strategies. - <u>Output 4.1.4:</u> Public sector institutions are supported to improve their capacity to design and implement better policies and regulatory frameworks, and to provide public services related to plant and animal health, food safety and quality. <p><u>Outcome 4.2:</u> Agribusinesses and agrifood chains that are more inclusive and efficient are developed and implemented by the public and private sectors.</p> <ul style="list-style-type: none"> - <u>Output 4.2.1:</u> Public sector institutions are supported to formulate and implement policies and strategies, and to provide public goods that enhance inclusiveness and efficiency in agrifood chains. - <u>Output 4.2.2:</u> Support is provided for the development of evidence-based food losses and waste reduction programmes at national, regional and global levels. - <u>Output 4.2.3:</u> Value chain actors are provided with technical and managerial support to promote inclusive, efficient and sustainable agrifood chains. <p><u>Outcome 4.3:</u> Policies, financial instruments and investments that improve the inclusiveness and efficiency of agrifood systems are developed and implemented by the public and private sectors.</p> <ul style="list-style-type: none"> - <u>Output 4.3.1:</u> Public and private sector institutions are supported to design and implement financial instruments and services that improve access to capital for efficient and inclusive agrifood systems. - <u>Output 4.3.2:</u> Public and private investment institutions are supported to increase responsible investments in efficient and inclusive agrifood systems. - <u>Output 4.3.3:</u> Systems are established and countries are supported to monitor, analyse and manage the impacts of trade, food and agriculture policies on food systems.
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16. **The new MTP 2018-2021 was approved at the 40th session of the FAO Conference in July 2017.** SO4's focus will be on enhancing countries' capacities to participate in the formulation of international standards and trade agreements, to design and implement supportive policies and regulations; to enhance the capacities of value chain actors and support services (finance and investment); and to provide global market information and analysis.⁶

17. The results framework has been reformulated to move away from outcomes based on discrete themes such as standard setting, trade, value chain development, food loss and waste, investment and finance, to a more integrated approach to improve the efficiency and

⁶ FAO, 2017, MTP 2018-2021

inclusiveness of agricultural and food systems, and linking explicitly to development results. In the MTP 2018 - 2021, there are now four Outcomes under SO4. The Outputs have been reorganized and reduced from ten to eight with the consolidation of two outputs related to policy implementation and the lifting of the achievements on reductions in food loss and waste as an indicator of progress from Output to SO level. A more detailed graphic of the revised results framework can be found in Appendix 1 at the end of this report.

Resources and delivery

18. As shown in Figure 1, SO4 receives the second smallest allocation of funding among the five strategic objectives, with an estimate for the period 2014-19 amounting to USD 674 million, or 11 percent of the total budget for FAO during this period.

Figure 1. Comparison of SO budgets 2014-19, in USD '000s

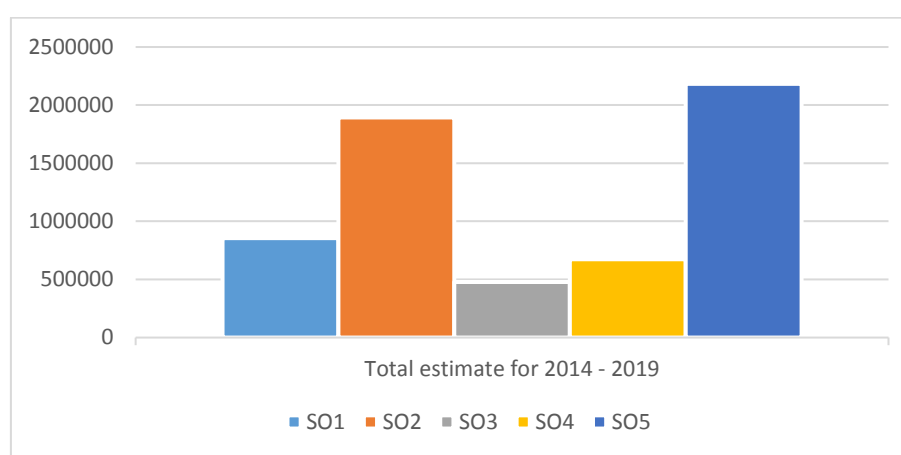


Figure 1 Source: Author's calculation based on PIR 2014-15, PWB 2016-17 and PWB 2018-19

19. Compared to the funding sources for other strategic programmes, SO4 is the most balanced between extra-budgetary contributions (i.e. donor funded projects) and Net Appropriation (i.e. FAO's regular programme funds), with commitments for the period 2014-2019 amounting to USD 317.6 million (47 percent) from FAO's Net Appropriation and USD 356.7 million in extrabudgetary contributions. The average share of Net Appropriation funding across all five SOs is 31 percent. The high proportion of regular programme funding for SO4 is primarily due to a relatively large amount of core technical areas (ring-fenced funds) falling under Outcome 4.1 of SO4. Outcome 4.2 attracts the highest share of extrabudgetary funding.
20. An analysis of FAO's Field Programme Management Information System (FPMIS) shows that there are 518 projects that have contributed to/are contributing to SO4 outcomes during the period 2014 to 2017. Country-level projects account for the largest share of the programme budget (48 percent). Regionally, Asia received the highest proportion of SO4-related project funding (20 percent) during the period 2014-17, followed by Africa (17 percent) and Latin America (11 percent).⁷
21. The European Union is the largest single external resource partner to the SO4 field programme, providing over USD 40 million. FAO is the second largest contributor to the field programme

⁷ FPMIS does not provide information on projects implemented by FAO's Investment Centre (TCI); however the Evaluation Team understands that there are 22 such projects that contribute to SO4 and the Regional Initiative on Improving Trade and Market Integration in Europe and Central Asia.

under SO4, providing just under USD 36 million through the technical cooperation programme (TCP).

22. At the regional level, FAO is currently implementing a total of 15 Regional Initiatives (RI), which are meant to respond to regional priorities as expressed by member-states in the FAO regional conferences. Although the RIs are not SO-specific, “lead SPs” have been identified for each RI. There are three RIs under SP4’s lead, these being:
- Agrifood trade and market integration: Europe and Central Asia;
 - Developing local chains for food security and nutrition: Pacific Island Countries;⁸
 - Agriculture and food value chain development – improving national and regional food and feed systems in the Caribbean.⁹
23. The evaluation was also informed that for 2016–2017, the RI2 in Africa underwent an in-depth review that led to a broadening of its scope beyond the original focus on production intensification to also include value chain aspects. Now titled: Sustainable Production Intensification and Value Chain development, it is led by SP2 but has a significant involvement of SP4.

III. Assessment of strategic relevance of activities under SP4

III.1 Relevance of SP4

Finding 1. SO4 is about broadening perspectives - from a focus on production to a more holistic agricultural and food systems approach. Agricultural and food systems will need to optimise resource efficiencies in the production and delivery of cost-effective, healthy and safe products for all, while ensuring the inclusion and integration of smallholder producers, vulnerable consumer groups and economically weaker countries. SP4 addresses these issues through its outputs and was thus considered by the evaluation team to be highly relevant.

24. Rules and standards are fundamental for effective market access. In the case of agricultural trade, this includes the harmonisation of quality standards, as well as sanitary and phytosanitary requirements. Increasingly, trade agreements seek to promote environmental sustainability and social standards. Establishing such rules and standards requires the establishment of international reference standards - by consensus and based on objective and scientific approaches. In order to make informed trade and agriculture policy choices, countries require analyses of the various standards and trade agreements. The recurrence and impact of short-term volatility in food trade and prices necessitate continual monitoring to inform actions at national and international levels, including through international cooperation.
25. Policies, institutions and processes need to address not only the trade, food safety and sanitary and phytosanitary (SPS) regulations imposed by countries under agreements but also enable value chain development to meet the requirements of market operators. Particular attention is needed to ensure that both male and female smaller and medium scale players are not crowded out of value addition opportunities due to the vertical integration and consolidation of supply chains. Smallerholders require access to knowledge, skills, and support to effectively participate

⁸ The Interregional Initiative on Small Island Developing States as FAO’s delivery mechanism for the Global Action Programme for Small Island Developing States that was launched in July 2017 at the 40th Session of the FAO Conference will cover the Pacific Island Countries.

⁹ In 2016, RI2 and RI3 for the Latin America and Caribbean region were merged, with SP3 in the lead, supported by SP4 and SP2. The RI was re-titled: “Family Farming and Inclusive Food Systems for Sustainable Rural Development”.

in value chains and to compete equitably in the marketplace. Empowerment and capacitation of producer organisations, training and institutional development, and access to rural investment and trade finance are also essential components. FAO's SP4 supports member countries by addressing these aspects through its outputs.

26. At the global level, FAO, in accordance with its mandate and directions provided by its governing body, produces a number of market information and analysis products. FAO's analyses are trusted by governments and intergovernmental agencies as being authentic and authoritative. The analyses are used especially in the consideration of policy and market intervention decisions, and thus referenced while making decisions of high national and international significance. FAO's data sets are readily used by intergovernmental fora (e.g. WTO's Committee on Agriculture) and in international/peer review of countries' policies and sector support measures.
27. A 2015 evaluation of FAO's contribution to knowledge on food and agriculture that included SO4 flagships observed that FAO produces a broad range of knowledge products and services, which largely respond to the organization's mandate and Member Countries' requests. Several are widely recognized and appreciated, such as the statistical databases. Some however, could be better tailored to the specific needs of their target audiences. The diversity in the objectives, capacities, and means of the potential recipients of FAO knowledge products and services is very broad, and the evaluation noted that not enough was being done to assess users' and learners' needs, which is a limiting factor for their use.
28. At the country and regional levels, the relevance of SP4 outputs is evidenced, as discussed in the following paragraphs, by increasing requests for support from governments and regional organisations.
29. Although oil, gas and mining production have led to booming economies and increasing inequality in some African countries, many countries in the region are still categorised as least developed countries (LDCs). Improving food security and nutrition is the top priority for most countries. In many African countries, food prices are very high, mainly due to low agricultural productivity and high transport costs, and many African consumers spend 40-50 percent of their expenditures on primary food products.¹⁰ Improved efficiency of production and processing could bring down the prices and give local farmers a larger share of the market. An increasing focus in many countries, as expressed in their agriculture policies, is now on scaling-up farming, agribusiness and industrialization.
30. The regional office in Ghana noted that in Africa, the priority is youth employment (e.g. the Ghanaian government's current campaign "planting for food and for jobs"); the logic there is that there is minimal manufacturing or industry to provide jobs, so employment has to come from the agriculture sector. Although youth are generally not interested in agricultural production jobs, there are many opportunities, for instance in agribusiness jobs further down the value chain (e.g. in logistics and processing), highlighting the relevance of SP4.
31. Due to growing youth populations and an ageing farming population, many organisations have recognised the need to encourage youth to become more involved with agriculture. Youth employment was identified as a regional priority for Africa during the 2017 FAO Regional Conference.

¹⁰ Brooks, Karen, Sergiu Zorya, Amy Gautam and Aparajita Goyal, 2013, *Agriculture as a Sector of Opportunity for Young People in Africa*. Policy Research Working Paper 6473. The World Bank, Sustainable Development Network, Agriculture and Environmental Services Department, p.8

32. Many of the countries visited in this evaluation identified youth-focused activities linked to SO4. It was noted in The Gambia that a new USD 13 million project funded by the European Union has the aim to improve economic opportunities for the youth. In Rwanda, youth entrepreneurs are supported by the Africa Solidarity Trust Fund to develop chicken production businesses. FAO has also provided considerable support to develop the Rwanda Youth Agribusiness Forum, which now has 1,200 registered members. The Forum has volunteer representatives in each of 30 districts, and a board. The members are organized into five clusters by business – Information and Communications Technology in agriculture, services, production, livestock and processing. The youth have been assisted in mapping the challenges and opportunities for youth in Rwanda agribusiness, and they are developing their strategy and first annual plan. Their website¹¹ lists financing and investment opportunities, member information and products, and supports matchmaking.
33. Smallholder farmers' access to finance has remained one of the major obstacles to an agricultural revolution and the reduction of poverty. Addressing challenges in value chain finance is seen as highly relevant and critical to enabling inclusive agricultural and food systems. A number of financing activities are taking place at country level, in addition to knowledge products and capacity-building efforts. For instance, in Tanzania, FAO partnered with Rabobank Foundation¹² (including National Microfinance Bank)¹³ to address the production, financial and marketing challenges faced by smallholder rice paddy producers.
34. In Latin America and the Caribbean, there is great variation between the countries. In the wealthier countries, such as Chile, Brazil and Argentina, agriculture is dominated by a small number of large landholders who produce the majority of the country's agricultural output and are very integrated to the global economy. The rest is grown on small farms, which contribute relatively little to agricultural production or the economy. Inequality is significant in the region. In other countries, such as Bolivia or Mexico, there is greater diversity of agricultural production due to the influence of indigenous groups and different political systems, while in some countries, political or civil upheaval and war has disrupted work. In a region with such wide variations between the countries, SP4 emerges as a highly relevant approach; the focus may vary but it is the food system approach of SP4 that informs FAO's discussions with national counterparts, considering issues such as how the level of exports and globalization of markets affect local consumption. Food losses and waste (FLW) are also of great interest. FAO's support for institutional contracts for smallholder production, and strengthened links to national, regional and global markets has been common to all countries.
35. In many countries in Latin America, there is a significant indigenous population and FAO is dedicating some budget and pilot activities to indigenous issues within SP4, as an element of inclusiveness. For example, in Colombia, FAO is encouraging indigenous or disadvantaged communities to work in associations and value chains, as a way to improve their incomes and reduce conflict. Virtually all of the SP4 projects in Bolivia are targeting indigenous populations (being both ethnic minorities in the Amazon, and indigenous groups from the Altiplano), as well as youth and women. Even high level normative work such as the development of the Quinoa Norm is intended to benefit smallholder and indigenous producers. Examples of projects are the Quinoa and Camelids project, working with 40 communities, which has strengthened indigenous knowledge in production and processing (see Box 2). The 'Camacho'

¹¹ <http://www.ryaf.rw/index.php>

¹² Rabobank is an international financial services provider operating on the basis of cooperative principles. It offers retail banking, wholesale banking, private banking, leasing and real estate services.

¹³ When the National Microfinance Bank (NMB) was privatised by the Tanzanian government in 2005, Rabobank acquired a 35 percent stake.

project is working with indigenous populations across the agrifood system. One very successful step has been to hire technicians from the local area who understand the local issues and speak local languages. This is a big advance in the eyes of local people, one of whom noted that “FAO has really supported people in their own reality.”

Box 2. Integrated Agrifood System for Quinoa and Camelids – Promotion of Sustainable Family Community Farming in the Bolivian Altiplano

In an Italian funded project in Bolivia, the “Integrated Agrifood System for Quinoa and Camelids – Promotion of Sustainable Family Community Farming in the Bolivian Altiplano”, activities were implemented across the agrifood system, including improved seeds (including certification of seed producers and establishment of municipal seed banks); production/reproduction (training and organic certification); processing of quinoa, wool and meat (via improved post-harvest handling and storage, training and equipping of processor groups, and facilitating access to finance); marketing (promoting the benefits of group marketing, and via contracts with the municipality to school feeding programmes); and consumption (with resultant nutritional benefits). Market assessments and links to national and international markets were made for quinoa and camelid products (including to the 2015 Milan Expo). Traditional knowledge was emphasised and valued. Community members were empowered to work together with the municipalities to plan the school feeding. The work has been institutionalised via inclusion in norms, laws and contracts at municipal level, and resourced via the annual budgets of the municipalities involved. This is an excellent example of a nutritional and sustainable, efficient and inclusive agrifood systems-based intervention.

36. In many of the small island developing states (in the Pacific, Caribbean and Indian Ocean), isolation, small land sizes and relatively high costs for inputs, transport and labour make agricultural and food system development problematic. There has been growing reliance on imports, and poor nutrition and obesity are increasing problems. A common focus of SP4 has been to build local food production, including local, more diversified value chains, with tourism and local supermarkets providing an important market. The hope is to become more self-reliant and to decrease foreign currency expenditure (though the financial benefit of import substitution doesn’t appear to have yet been monitored). In the Caribbean this has included work with the cassava, mango, dairy, pineapple, small ruminants, honey and onion value chains. In the Cook Islands, in the Pacific, a TCP has supported the vanilla and organic noni juice value chains as high value exports, and the hydroponic vegetable value chains for the tourism industries.
37. In Europe and Central Asia, the definition of ‘small’ varies between Ukraine (where there are already many commercial large farms) and Tajikistan or Moldova, for example. Consolidation of the valuable land is already a feature in many countries. Another feature of the common Soviet past is the aversion/scepticism toward farmer cooperatives, with several attempts in forming cooperatives falling short of expectations. And finally, fragmentation in agribusiness sectors is also a common feature, as a result of which often the requirements of export contracts in terms of quantities are not met. Many countries in the region are looking at linking their production to global markets, and there is strong demand for SP4-related interventions.
38. Against this background, the regional initiative on Improving Agrifood Trade and Market Integration (RI2) for this biennium 2016-17 implemented in Europe and Central Asia is aimed at supporting member countries in enhancing the agrifood trade policy environment for small and medium-sized enterprises. Value chain analysis has been carried out by FAO’s Investment Centre Division (TCI) in partnership with the European Bank for Reconstruction and Development (EBRD). In Moldova, for instance, FAO carried out a country assessment of the

agrifood sector and prepared six benchmarking studies of food export promotion programs. FAO is working with smallholders, but also large producers (for reasons of efficiency). For instance in Georgia the emphasis appears to have been on commercial producers when facilitating the *Public private platform on dairy policy*. Work on greening value chains has also been supported (e.g. the TCI project on *Improving the Efficiency of Fruit and Vegetable Value Chains in Tajikistan and Moldova*). Gender-sensitive value chain development has also been an important area of work. FAO REU conducted, in 2016-17, gender-sensitive research and studies to review value chains in Albania, Azerbaijan, Kyrgyzstan, Tajikistan and Uzbekistan, to identify opportunities for rural women to participate in income generating and entrepreneurial activities. Based on the recommendations coming from the above reports, RI2 conducted trainings in Kyrgyzstan and Uzbekistan in March-May 2017.

39. In Asia, many economies are very much market-driven. This is especially for middle-income countries such as Viet Nam where the focus has shifted from production to meet food security concerns to trade as an engine of economic growth. SP4's emphasis on post-production and trade enabling concerns mean that FAO is well-positioned to support governments in meeting these objectives. In Viet Nam, the country programming frameworks (CPF) includes priorities on food safety, reducing post-harvest losses, and policies and programmes in support of food systems for rural, vulnerable groups. Also, the FAO Regional Office for Asia and the Pacific (RAP) is proposing a "One Health Plus" regional initiative — an integrative approach for preventing and mitigating health threats at the Animal-Human-Plant-Environment interface, with the objective of achieving public health and well-being, and facilitating trade. This is a positive step particularly in view of resource mobilization challenges faced in the region where bilateral donors are increasingly withdrawing support, and even TCP funds are declining. Developing and promoting medium- to long-term programmatic approaches would align with the donor preferences expressed.
40. In the Near East and North Africa region, reducing food loss and waste is one of the priorities for the countries. A project *Food Loss and Waste Reduction and Value Chain Development for Food Security in Egypt and Tunisia* is underway, with an objective to reduce by 15 percent the losses in grapes and tomatoes as a result of the project. Some small studies on inclusion within value chains, such as a Gender Sensitive Value Chain Analysis for Medicinal and Aromatic Plants in Egypt, have been carried out, which has demonstrated the potential to support inclusion of women. However it is unclear how these studies will be used. Further support is needed to translate this study into an action plan for policy change or improved value chain development.
41. In sum, promotion of an agricultural and food systems perspective, with SP4's focus on post-production aspects of the value chain is timely and relevant. Despite the merits of SP4's approach, a number of bottlenecks can be identified that have so far limited its uptake. This include a need to better clarify SP4 offerings, ensuring sufficient capacities to implement the programme, and reviewing mechanisms and policies in support of expanded partnerships with the private sector and IFIs, especially at the regional and country levels. There is also recognition that cultural shifts within FAO are essential for delivering results against SO4; FAO is often perceived to be a production-driven organisation, with little attention to markets. The SP4 team has been working to bring about these shifts.

III.2 Conceptual clarity on SP4

Finding 2. Inclusiveness and efficiency have been well addressed in most activities under SP4, although there is a varying understanding of these concepts among countries, and even individuals. There is a risk in some cases that increasing inclusiveness may come at the cost to efficiency, and vice versa. There are strong perceptions in some regions that an agricultural and food systems approach is abstract, while speaking about value chain activities allows clearly articulated entry points on problems and development of targeted responses.

42. The efficiency and inclusiveness dimensions addressed by SP4 can be distinguished at each of the outcome levels as shown in Table 2:

Table 2. Inclusiveness and efficiency dimensions under each outcome

Outcome	Efficiency Aspects	Inclusiveness Aspects
4.1	<ul style="list-style-type: none"> • Transparency and predictability through reference standards; • Market share from customer trust; • However higher costs of compliance may or may not fetch commensurate premiums; • Tariff harmonisation/ reduction, trade facilitation, price discovery, market risk diversification; • Reduced impact of price volatility; food scarcity and crisis prevention; • Intervention measures to deal with supply and price volatility, market shocks. 	<p>International:</p> <ul style="list-style-type: none"> • Financial and technical support to improve participation of developing countries; • Tariff preferences, special and differential treatment for LDCs and low and middle-income countries, unilateral preferences; • food aid supplies. <p>Domestic:</p> <ul style="list-style-type: none"> • Special safeguards for sensitive products, import surge protection; • Targeted support to weaker and vulnerable sections; • In supporting value chains and exports, focus on working with associations/public-private dialogue; • Consumer impacts.
4.2	<ul style="list-style-type: none"> • Better links to post-production stages, such as value-addition and storage; • Reduced food losses lead to increased food security, increased productivity, and lower costs of raw materials for agro-processing industries; • Increased quantities and/ value of suitable farm produce add to growth of agro-processing industries; • Responsible use of natural resources, increased investment and incorporation of environment-friendly post- production practices resulting in the delivery of healthy, safe and affordable products, on a sustainable basis; • Enhanced governance mechanisms (e.g. lower transaction costs). 	<ul style="list-style-type: none"> • Enabling smallholders and small- and medium-scale enterprises, including disadvantaged groups, such as women, youth or indigenous peoples to participate in market opportunities; and enable better terms of trade and balanced market power in large-scale procurements; • Employment generation.

Outcome	Efficiency Aspects	Inclusiveness Aspects
4.3	<ul style="list-style-type: none"> Increased access to finance by value chain actors can increase efficiency along the value chain, both upstream at the producer level, and also among off-takers, processors and domestic buyers, leading to increased value addition in-country and scaling up of activities; Policy distortions that lead to an increase in consumer prices often work against food security. Promoting policy coherence through policy monitoring and monitoring of price and market-related risks can allow for a more efficient and coordinated development approach; Increase in responsible investment can lead to scaling up of best practice examples and increased uptake of more efficient and sustainable production. 	<ul style="list-style-type: none"> Access to credit and finance from public and private institutions for smallholders including disadvantaged groups, such as women, youth or indigenous peoples enhances their ability to participate and scale up their activities; Terms of access, collateral, underwriting, regulatory monitoring and enforcement determine effective access for smallholders and disadvantaged groups, such as women, youth or indigenous peoples.

43. At the time of the evaluation, there appeared to be two operational definitions of food systems guiding FAO:

- a. Food systems encompass all the people, institutions and processes by which agricultural products are produced, processed and brought to consumers. They also include the public officials, civil society organizations, researchers and development practitioners who design the policies, regulations, programmes and projects that shape food and agriculture.¹⁴
- b. A food system gathers all the elements (environment, people, inputs, processes, infrastructures, institutions, etc.) and activities that relate to the production, processing, distribution, preparation and consumption of food, and the outputs of these activities, including socio-economic and environmental outcomes.¹⁵

44. While the two definitions are similar, not having an authoritative definition promoted by SP4 adds to uncertainty about the approach for stakeholders. For instance, this evaluation finds that the understanding of concepts under SP4 varies from one country to another, without clear standards (for instance for food loss and waste or agricultural and food system definitions). Some respondents define efficiency as related to productivity and others as reducing food losses. The evaluation also received feedback that "there is a lack of understanding on what constitutes 'value chain work'. Farmer organizations do not have a business orientation. When you go to the field they expect you to bring seeds".

¹⁴ FAO, 2013, The State of Food and Agriculture: Food systems for better nutrition, FAO, Rome.

¹⁵ Food losses and waste in the context of sustainable food systems. A report by the High Level Panel of Experts on Food Security and Nutrition of the Committee on World Food Security, Rome 2014.

45. In relation to the concept of "food systems", the evaluation finds that SO4 is regarded as too abstract, and does not adequately convey concrete programmatic offerings that FAO country representatives (FAORs) can "sell". Perhaps consequently, SP4 has the second smallest resources of the five strategic programmes despite its strategic importance. Feedback from several country and regional offices point to the need to describe SO4 in language that is more relevant for policy decision makers. As one FAOR noted: "We need to use a language for SO4 that is understood in the region. And that is not 'food systems'. At a minimum, how we talk with policy makers has to include the terms value chains, agri-business and standards, but in the end SO4 should be about mainstreaming business sense and market opportunities."

III.3 SP4's approach in support of enabling inclusive and efficient agricultural and food systems

Finding 3. The individual areas of work under SP4 are clear and relevant. All SP4 components have a role in making food systems safe, market-oriented, resource efficient and inclusive. However, examples of an effective integrated approach are limited.

46. The evaluation team found that so far SP4 in many countries is characterized by a project-led approach comprising a collection of individual short duration projects based on various requests of the government. So, while a number of these activities individually are compatible with the objectives of SP4, their dispersion and scale will in most cases not contribute towards enabling inclusive and efficient agricultural and food systems. In particular, country-level assistance has relied largely on FAO's TCPs. Based on country visits and a review of country programme evaluations, the evaluation noted that the use of TCPs has not been sufficiently strategic, as demonstration pilots failed to attract larger levels of scale-up funding based on their results. This has resulted in a spread of useful activities and outputs, but without clearly laid out pathways toward outcomes.
47. While efforts of the Strategic Programme Leader to meet regularly with the technical divisions were widely recognized and appreciated, activities and budgets operate fairly independently within the SP4. The logic of including all the individual components of SP4 into one programme needs to be actualised by ensuring better linkages between the components. More comprehensive, 'all of SP4' type approaches combining standard setting, trade compliance support, and enhancing one health/ food safety outcomes would be more effective. Naturally, implementing longer and larger projects would have more potential for a comprehensive approach, however, without more external funding this could be difficult. Furthermore, the SO is broad — SO4 aspires toward transformation of the agricultural and food sectors through a systems approach — but SP4 is narrowly defined to primarily post-production aspects. Contributing to inclusive and efficient agricultural and food systems certainly cannot be fully the responsibility of one SP, and highlights the need for stronger cross-SP synergies.
48. Notably, with support from the Multipartner Programme Support Mechanism (FMM) in 2016-2017, the SP4 team already commenced piloting new approaches/partnerships at country level, including a more programmatic approach to developing SP4-related country interventions. Two such projects include: "Developing Sustainable Food Systems for Urban Areas" currently being implemented in Bangladesh, Kenya and Peru, and the "Trade related capacity development in Eastern and Southern Africa" under implementation in Mozambique, Tanzania and Zambia.¹⁶
49. FAO/TCI support is explicitly recognised as an output of SP4, and TCI has undertaken work reflecting an all-SP4 type approach. This is well captured in its work supporting national governments in reviewing and revising their agriculture sector strategies/plans/programmes, such as in Viet Nam in 2013, and Rwanda presently. TCI has also been paying attention to inclusiveness through strategically incorporating small and medium enterprises in its investment support work and facilitating smallholder farmer market and agribusiness linkages in much of its formulation work. However, findings from the 2013 evaluation of FAO's role in investment in food and nutrition security still stand – TCI's business model means that better integration with FAO's programmes is difficult even though they have the expertise and

¹⁶ FAO is also delivering activities related to this project in Rwanda, but which are financed from another FMM project.

capacities to better enable SP4 objectives, as shown in the effective collaboration with RI2 in Europe and Central Asia.

50. With regard to SP4-linked knowledge products, the evaluation noted concerns among staff over a perceived trend of de-emphasising global and knowledge products, as the strategic framework emphasizes results at country level. As with the work on standards, efforts are being expended toward supporting national and regional capacities for better utilisation of some of these instruments, as appropriate, but there is a stronger emphasis on ensuring that the knowledge products retain their technical authority and serve as references for the country-level work. As discussed in the next section, given broad recognition of FAO's comparative advantage as a key provider of technical expertise, this strategy is sound.
51. Endorsed in 2005, FAO's food safety strategy aims to build and strengthen food safety governance systems at national and international levels.¹⁷ The Strategy has five areas of focus: (i) Strengthening national food control regulatory capacities; (ii) Supporting science-based food safety governance; (iii) Promoting improved food safety management along food chains; (iv) Facilitating access to information through relevant platforms and databases; and (v) Contributing to food chain intelligence and providing foresight on food regulatory issues.
52. The strategy is implemented through a mix of global corporate technical products and services and technical assistance support through regional and national programmes, chiefly technical cooperation projects. In particular, FAO's food safety programme provides support to: (i) setting international reference standards based on scientific advice; (ii) implementing effective national food safety control systems based on, and harmonized with international standards; (iii) strengthening standards compliance along value chains through risk based food safety management; and (iv) global networks and platforms for exchange of information and intelligence including on emerging issues to avert food safety threats. The evaluation found that FAO's approach towards strengthening food safety governance is has contributed to efficiency and resilience of food systems and markets.¹⁸

IV FAO's comparative advantage and value added under SP4

Finding 4. FAO is recognised as an expert organization with global reach and information, and the ability to provide quality technical, policy and investment support (including the ability to bring in expertise and ideas/innovations from other countries or regions). However, FAO's leadership and comparative advantages in some areas are at risk due to inadequate capacities to support the demand.

53. This evaluation finds that there is a clear understanding among stakeholders interviewed that FAO is an expert organisation with global reach and information, and the ability to provide quality technical assistance (including the ability to bring in expertise and ideas/innovations from other countries or regions). FAO is a clear global leader in agricultural statistics, FLW support, and other normative products. For example, FAOStat and the contract farming guidelines are frequently described by counterparts and other stakeholders as being an added value of FAO.
54. Notably, the introduction of SP4's agricultural and food systems approach was considered a strength. FAO staff in the Latin America Regional Office considered "SP4 is an added value of

¹⁷ Strategy for Improving Food Safety Globally - COAG 2014/5

¹⁸ A fuller discussion on FAO's contributions towards improving food safety globally will be published on the OED website.

FAO – as the only agency pushing the market... How to get the small producers involved in trade nationally and internationally? SP4 is very new and can do a lot”.

55. FAO, through its intergovernmental bodies Codex Alimentarius Commission and the International Plant Protection Committee is uniquely positioned to facilitate formulation and ratification of international food safety, sanitary and phytosanitary standards. Their official recognition as the international reference standards for trade in agriculture and food products (WTO), has shored up FAO's comparative advantage and influence in formulation of standards that promote trade as well as health and food safety objectives.
56. FAO's authoritative international data on agriculture production, markets and price trends provide evidence and analysis to inform member consultations on matters of trade and food security at the major forums, especially the WTO Committee on Agriculture. Other elements of FAO's comparative advantage include: large in-country presence; technical expertise and review of and development of guidelines and regulatory frameworks, emergency response networks; and experience of implementing in-country projects to establish/strengthen regulatory and institutional mechanisms for food safety, plant and animal health control.
57. In the areas of trade policy analysis and formulation of trade related technical assistance, the main instrument of assistance (especially for LDCs) has been the Enhanced Integrated Framework (EIF). FAO is not a core EIF agency, even though the Organization has strong comparative advantages in issues pertaining to agriculture and food trade. FAO brings in useful complementarities by virtue of: a large in-country presence (compared to other United Nations technical agencies - UNCTAD, ITC and UNIDO); strong institutional relationships in agriculture/livestock/forestry ministries; extension services and farmer organizations; unique entry points and diagnostic tools relating to SPS compliance assessments (e.g. food control assessments, phytosanitary capacity evaluation).
58. FAO's non-inclusion among core EIF agencies is an important gap given that more than two-thirds of the EIF project portfolio is in agriculture. To an extent, this is also because of the lead role of trade and economic ministries in trade negotiations and technical assistance prioritization, and the traditionally weaker involvement of agriculture ministries in trade-related issues. This gap is now being addressed through cooperation between EIF and FAO to enhance coordination between agricultural and trade policy formulation, especially in Africa.
59. Moreover, this evaluation observes that FAO's expertise as described in the preceding paragraphs has not been sufficiently communicated to other ministries that are key for SP4 results. Respondents met by the evaluation in some countries report not knowing that FAO offered trade-related technical assistance for example.
60. The profile and background of staff in the FAO Liaison Office in Geneva (LOG) has been an important advantage in FAO's engagement with trade events in Geneva. There is considerable potential for the LOG to contribute to partnerships and resource mobilisation for trade, humanitarian assistance and around the Sustainable Development Goals (SDGs). The evaluation finds merit in strengthening the Geneva liaison office, and instituting biennial or quadrennial work planning consisting of multiple elements: liaison/representation, outreach and advocacy, partnerships, and resource mobilisation. The LOG has the potential to generate high returns in the medium-term, especially with the renewed momentum in multilateral talks, the coming into force of the Trade Facilitation Agreement, the new phase of the EIF, and concerted development of partner strategies around the SDGs.

61. FAO is also recognised for its role in policy advice/dialogue. FAO is unique in being able to bring together all actors, as it is respected and seen as fairly neutral. One respondent noted that FAO can provide strong advice on policies relating to food security, nutrition and value chains: "FAO is the only organization that can really give that sort of feedback. And the parliamentary dialogues could only be informed by FAO – other donors can't do it".
62. FAO has a comparative advantage in being well positioned to support governments in establishing the necessary enabling regulatory frameworks/environments that support inclusive value chains, and in attracting the necessary investments. Many stakeholders in-country commented on the important role of FAO in value chain interventions, providing technical expertise and knowledge products. There was also recognition that FAO is unusual in that it is working with the inclusive business model, building government institutional capacities and policies, as well as working with farmers. In a study of value chain work of different UN agencies, reference was made to FAO's "specialist technical expertise and capacity to support value chain actors and service providers in efforts to sustainably increase productivity and value addition, strengthen producer-agribusiness linkages, and improve efficiency in the distribution of food and other agricultural products".¹⁹
63. However, there are strong perceptions that FAO does not have the resources or capacity to implement full value chain development interventions. This is based on the scale of its interventions, with many development partners investing much greater financial resources in their value chain activities (for example USAID, DFID), perceptions of limited capacities in country offices, and slow decision-making across the Organization. The evaluation also observes that FAO's comparative advantages across SP4 work areas are not sufficiently exploited in intra-SP4 linkages, except perhaps in RI2.
64. FAO is a reference Organization on food loss and waste. FAO's support to developing methodology to measure FLW is seen as a unique strength, as well as its role as a neutral convening authority of all relevant entities to the table. FAO has actively supported development of national SAVE FOOD networks and there is a growing awareness and understanding among governments, technical experts and the general public of its importance. A draft Code of Conduct on FLW that will be considered for endorsement by the Committee on World Food Security (CFS) in 2017 would support coordination and agreement on a common method of quantification, and clarify who are the key actors and their responsibilities, as well as the expectations of who would provide financing. This would also be a means to attract participation and funding from a wide range of public and private sector funders, and give the campaign critical mass
65. It was widely acknowledged in countries visited during this evaluation, that TCI's investment support is a clear strength of FAO and has contributed to key SO4 priority themes. These themes include offering better market opportunities for investments and farming through generating a more conducive policy and regulatory environment, and through linking smallholder farmers to better agricultural service providers, agri-businesses and other rural support services (such as finance). Much of this was done through TCI's project formulation and implementation support for other international financing institutions (IFIs) (over 95 percent for World Bank, IFAD and EBRD), in particular for the Europe and Central Asia, and Northern Africa regions.
66. FAO has established a well-recognized niche and reputation in 'value-chain finance' that links actors and operators along the finance and commodity value chains. However, since 2016, capacity at FAO headquarters on value-chain finance has been dissipating. FAO has identified

¹⁹ Stamm & von Drachenfels, 2011, p. 24

the need for additional capacity in Rural Finance,²⁰ focusing on *food systems, including instruments and services such as agricultural insurance, crop and warehouse receipts, and value chain finance*.²¹ In the meantime, the current team is stretched extremely thin and is struggling to maintain its obligations in key partnerships. To regain momentum and re-establish a sense of direction and leadership on the subject of value-chain finance, FAO must take stock and revive or modify the FAO strategic vision for value chain finance, and ensure adequate capacities to support the work. Otherwise the previous comparative advantage and reputation would be lost, with additional reputational risk for FAO, while opportunities for replicating or scaling-up on experience gained may be missed.

V. Cross-SP Synergies

Finding 5. Within SO4, the inclusive and efficient food systems approach considers economic, social and environmental issues and there are several areas of inter-SP synergies across the SPs.

67. There are strong complementarities with SP2, linked to pesticide residue limits and also anti-microbial resistance in livestock and fisheries, which straddle 'production and protection' aspects; and with SP5 linked to control and prevention of food chain crises arising from plant pests and animal diseases, including zoonosis, and on insurance and risk management. In fact, there is a seamless continuation of emergency response work under SP5 and the creation of preventive national and international monitoring and surveillance mechanisms to respond to food chain crises which fall directly under SP4.
68. Similarly, synergies were observed at the country-level where some projects have taken a holistic approach to the value chain. FAO provided support to extension services under SP2 on sustainable production techniques, while also providing value chain support through linking those same beneficiaries to buyers and markets, and enabling their access to finance. There is also a close link with SP1 in the context of nutrition related standards-setting and implementation, while the EU-funded Food and Nutrition Security Impact, Resilience, Sustainability and Transformation (FIRST) programme offers synergies with SP4's work for enhancing coherence between agriculture and other sector policies. Linkages with SP3 are more visible in inclusive value chain development activities under Outcomes 4.2 and 4.3, including on gender-sensitive value chains. The evaluation found evidence of close cooperation and team work across SPs within regional offices in particular, contributing to good results.
69. It was observed that at country level, there is limited application and differentiation of the SOs in the implementation of country programmes as the emphasis has been on concrete programmatic offerings, such as the regional initiatives.

²⁰ A distinction is made here between value chain finance, which is larger, transaction based, and rural finance, which emphasises micro-credit, production based aspects.

²¹ FAO, April 2017, *Priorities and resource allocations for technical capacity including opportunities for voluntary contributions*, C 2017/3 - Medium Term Plan 2018-21 and Programme of Work and Budget 2018-19, Information Note no. 1 – April 2017

VI. Integrating cross-cutting issues

Finding 6. Cross-cutting issues such as gender, nutrition, climate change and governance have been addressed with varying degrees of emphasis under SP4 across its portfolio of activities, both explicitly and incidentally. Given the standards setting/normative pillar of SO4, and in view of FAO's comparative advantage in policy advocacy and governance work, helping countries to improve their regulatory frameworks and environments in support of agribusiness and trade could be a good area of focus for SP4.

a. Gender

70. Gender equality and women's economic empowerment objectives are being addressed mainly through Outcome 402. While many of the outputs of SO4 have been assessed as being gender neutral, there is considerable potential within SP4 to have impacts on gender equality and women's economic empowerment objectives. There is scope in particular within support for the design and implementation of policies, regulatory frameworks and institutional arrangements, and the actions to promote capacities for inclusive agro-enterprises, value chain development, food loss reduction strategies, access to finance, and food safety. However, a strategic decision was taken at the start of work on SP4 (in 2013) to focus in particular on value chain activities, cross-border trade and food loss and waste activities, as these were the areas with the most potential for results, within the resources available.
71. Within these areas, FAO has undertaken several initiatives and developed knowledge products and services to support the work on gender equality under SP4. This includes work from headquarters and in the regions, and at country level. Capacity building is an important part of the work. This includes webinars, and face-to-face training, conducted by the gender team and the regional gender officers. FAO has also produced a broad range of guidelines, webinars and studies on gender within policies, on FLW, and gender analyses of specific value chains. The guidelines on *Developing gender-sensitive value chains* — based on FAO's guiding principles for sustainable value chains, and specifically emphasising the importance of social sustainability — provide excellent analysis of gender issues and constraints, as well as examples of how to consider gender at all levels of the value chain. Further, the FLW methodology addresses in a cross-cutting way gender-related issues. In addition, FAO is finalizing a guiding note on the nexus between food loss and gender, which provides guidance and specific tools on how to address gender based constraints and improve value chain efficiency and consequently reduce food losses.

b. Nutrition

72. While nutrition activities are primarily under the purview of SP1, nutrition has been considered in SP4 activities, for instance: nutrition sensitive value chains, activities such as post-harvest handling, fortification, storage, packaging and labelling. For instance, the evaluation also noted that in the value-chain projects, such as those for dairy or eggs in Rwanda, the farmers often report increased consumption of the produce, thus improving diets and nutritional intake. Similarly, the Purchase from Africans for Africa programme provided training on nutrition and food procurement to stakeholders in Malawi, Mozambique and Senegal, and contributed toward dietary diversification of students through the introduction of legumes (Niger, Ethiopia), and fruits and vegetables (Malawi and Mozambique) into school menus.

c. Climate change

73. Across FAO, there have been several important activities supporting the promotion of green food value chains, in the development of tools and methodologies and also in generating knowledge. However, environmental sustainability is not explicit in the articulation of SO4, and activities relating to green food value chains or environmental sustainability are fragmented, disparate and not well integrated within SP4. Some earlier activities focusing explicitly on green food value chains have dissipated in recent years, while the concept of 'green' has become subsumed under the umbrella of 'sustainability' within SP4's programming. Opportunities exist for creating synergies among the remaining valuable activities that promote green value chains within FAO (for example, ensuring strong linkages with SP4 of the work under Climate-Smart Agriculture, the Ex-Ante Carbon-balance Tool (EX-ACT), and with TCI).

d. Governance

74. SP4 has several established instruments that support the legal and policy frameworks for agricultural and food systems. These include contract farming guidelines, voluntary standards for sustainable food systems, and the Principles for Responsible Investment in Agriculture and Food Systems (CFS-RAI). A strong body of governance work also includes forestry and fisheries governance, and the policy analyses support undertaken by TCI and under the *Monitoring and Analyzing Food and Agricultural Policies* (MAFAP) programme.
75. FAO's MAFAP programme started in 2008 and works in 16 countries towards strengthening their policy monitoring capacities. The programme seeks to establish country owned and sustainable systems to monitor, analyse, and reform food and agricultural policies to enable more effective, efficient and inclusive policy frameworks. MAFAP has delivered many good quality outputs, particularly in terms of technical reports on various trade and value-chain related themes and in national analytical capacity building. For example, in Senegal, MAFAP carried out a study on the impact of price policy on rice, groundnut and onion value chains and has trained officials on the use of policy analysis tools. A 2016 evaluation by USAID of 20 similar policy reform projects supported by the organization views MAFAP as unique in terms of its strong focus on the enabling policy environment, with potentially good outcomes.
76. Similarly, FAO/TCI have undertaken a range of policy dialogue activities across seven Eastern European and Northern African countries that have contributed to enhancing grain market transparency in Kazakhstan, and policy dialogues in the meat and dairy sectors in Ukraine and Serbia that led to redrafting of laws and legal acts for food sector reforms. With these tools in the SP4 portfolio, the programme is well equipped to support the formulation of national agricultural sector strategies aimed at transforming the sector through a holistic agricultural and food systems analysis, and the accompanying investment plan.

VII. Assessment of contribution to results

Finding 7. It is 'too early to call' with regard to identifying traction of SO4, also partially owing to organisational and personnel changes in SP4 for the period under evaluation, which accentuated limited clarity about SO4 at the country level in most regions other than Latin America and the Caribbean.

77. There are several longstanding areas of work (in particular the standards setting processes) that have their own governance mechanisms and bodies, and separate strategic frameworks. Thus there was no direct influence of SO4 on their design or implementation. The programmatic

strategy under SP4 has been toward supporting national capacities to implement and align national policies and strategies to international treaties and commitments.

78. There is still much scope for strengthening communication of programmatic offerings under SP4 as the concept of food systems is not well internalized by the staff in some countries. The communication quality is also dependent on the technical and financial resources available in the country office, support from the region, and the level of economic development in the country. Clarity on what SO4 is about has implications for messaging to stakeholders and also for resource mobilization.
79. The SP4 team introduced a number of initiatives in 2017 aimed at promoting a food systems perspective, including an intra-FAO dialogue on food systems that was well attended by staff across divisions, a face-to-face course on food systems that is being rolled out in 2017 at headquarters, RAP, REU and the Subregional Office for the Caribbean; and an e-learning course on food systems that will be launched in 2018. Furthermore, the Economic and Social Development Department is currently leading the development of a conceptual framework for food systems.
80. These efforts will go some way toward promoting better awareness of the approach being promoted, but they will need to be accompanied by communications on concrete programmatic offerings, and adequate technical backstopping to country offices.

Programmatic results

Finding 8. Good progress has been made against the organizational targets for SP4, with indicators achieved or exceeded in most cases. At the country level, fair technical results are evidenced in projects implemented, with institutional capacities and legislative reforms/improvements showing the areas of highest impact. However, the mainstay of support has been through TCP projects, which often lacked continuity and scale.

81. While a more complete presentation of contributions to results under each of the SP4 outputs is included in Annex 2, a brief summary of some contributions is provided below.
82. Contributions to Outcome 4.1 - International agreements, mechanisms and standards that promote more efficient and inclusive trade and markets are formulated and implemented by countries:
 - An important positive development in recent years is the increase in national reporting of pest outbreaks by members, a result of proactive engagement through guidance and awareness raising by the IPPC following the adoption of reporting procedures at the Commission on Phytosanitary Measures in 2015. As a result, the number of national reports doubled in 2016 over the previous year, with a record 244 reports. 112 parties posted reports, including 98 pest reports, a measure of increased trust and confidence in the usefulness of National Reporting Obligations (NROs) to attain IPPC's global mission.
 - CODEX is an important international reference point for developments associated with food standards, and the scientific evidence base of CODEX was seen as a key element of CODEX's relevance and strong normative guidance.²² However, the evaluation noted concerns that funding is inadequate to meet the increasing requests for scientific advice to CODEX.

²² World Health Organization, 2017, Evaluation of WHO's normative function, WHO Evaluation Office, http://who.int/about/evaluation/who_normative_function_report_july2017.pdf?ua=1, Pre-publication version, July 2017

- Efficiencies enabled through the use of technology and electronic participation have contributed to an increase in the magnitude and pace of standards setting since 2014.
- Good results can be cited in all five areas of the FAO food safety strategy; particularly in: Supporting science-based food safety governance and decisions; Support to national food control regulatory capacities; and Enhancing food safety management along food chains; all of which are key elements in enabling trade flows for safe food. In this regard, FAO's food safety programme, has made clear contributions towards SO4. For example, FAO's food safety interventions in Bangladesh has been very successful, leading to changes in legislation, institutional arrangements and improved capacities.
- FAO, including its statutory bodies and anchor partners WHO and OIE, played a central role in supporting national and regional governments and institutions to implement policies and institutional measures to strengthen sanitary and phytosanitary controls in line with international regulations.
- Through its mandate to collect, analyse, interpret and disseminate information, FAO has made noteworthy contributions to enhance understanding of the linkages between trade development and food security and the importance of trade governance to ensure sustainable management of natural resources.
- There was concrete progress in multilateral negotiations, on hotly contested issues in agriculture and food security, as well as momentum to include new disciplines for negotiations. FAO and partners provided useful evidence-based analysis in a number of these issues. The Geneva Liaison Office has played a key role in raising FAO's profile and engagement in trade issues related to agriculture and allied sectors.
- Important breakthroughs have been achieved after long-standing efforts in forest and fisheries governance.
 - Under the Forest Law Enforcement, Governance and Trade (FLEGT) programme, FAO has supported over 200 short projects in Africa, Asia and South America since 2008, through grants (USD 50-100,000) to implementing entities, and direct assistance in some cases. A mid-term evaluation of the programme in 2014-2015 found it to be highly relevant and showing promising evidence of intermediate outcomes.
 - On fisheries governance, the entering into force of the binding Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (PSMA) is a significant step to enhance regional and international cooperation to block the flow of illegal, unregulated and unreported (IUU)-caught fish into national and international markets. The recent adoption of the Voluntary Guidelines on Catch Documentation Schemes further delineates enhanced efforts to deter market access of IUU fish products. Implementing and enforcing these key FAO instruments will ensure legality along the supply chain.
- FAO has provided useful support through its regional initiative to a number of countries in post-Soviet transition, including building/rebuilding legislation, institutions and technical capacities in plant/animal health and food safety domains, as well as support for diversification of agriculture trade and markets (see Box 3 and Annex 3).
- With the Common Market for Eastern and Southern Africa (COMESA), FAO has set up a new initiative in Africa to strengthening policy coherence in trade and agriculture through dialogue between the relevant stakeholders engaged in parallel policy processes.
- FAO's market information and analysis products are trusted by governments and intergovernmental agencies as being authentic and authoritative, and are used especially in the consideration of policy and market intervention decisions.

- FAO's data sets carry the seal of authenticity and authority and are readily used by intergovernmental forums (e.g. WTO) and in international/peer review of countries' policies and sector support measures.

Box 3. The Regional Initiative on Agrifood Trade and Market Integration (RI2) in Europe and Central Asia

The Regional Initiative on Agrifood Trade and Regional Integration implemented by FAO's Regional Office for Europe and Central and headquarters (particularly the Trade and Markets Division) is a good example in demonstrating the potential and effectiveness of using Regional Initiatives to spearhead and coordinate thematic technical assistance in a diversity of country settings, and also highlights the conditions that favour regional as compared to multi-country approaches.

The Regional Initiative on Agrifood Trade and Market Integration (RI2) consists of three mutually reinforcing components:

Component 1: Building capacities in implementation of trade agreements;

Component 2: Developing capacities to implement food safety and quality standards;

Component 3: Developing capacities toward a supportive environment for trade.

Although a large number of countries are included in regional activities, RI2 had additional in-country activities in four focus countries: Moldova, Ukraine, Tajikistan and Kyrgyzstan.

Several aspects make this Regional Initiative a good example of the effectiveness of a regional delivery mechanism:

- **Commonality of challenges and needs in certain areas.** A regional programme can address common post-Soviet transition issues, especially the challenges of choosing from or straddling multiple economic arrangements, and rebuilding institutions, systems and processes to deal with new emerging partners and markets. This enabled a cost-effective design combining regional elements and country-specific interventions.
- **Context, cultural and linguistic specificity.** Experience and knowledge of post-Soviet transition issues, interplay of regional economic groupings, membership (for most of the countries) in the World Trade Organization, and professional conversancy in Russian language brought in very context-specific requirements, which could be handled well by assembling a suitable skill mix in the REU Regional Office and at headquarters.
- **Limited country office capacities.** With inadequate staff, even in focus countries, and the multidisciplinary technical needs in countries, supplementary support from the Regional Office allowed backstopping of a wide range of specialised areas in each country: plant health, animal health, food safety, trade and market analysis, and multilateral trade issues.

A noteworthy feature of RI2 was its pragmatic approach to programme (amidst a tight financing environment) with predictable regular budget funding and build the programme without large unfunded gaps, but with the potential for upscaling based on additional funding. This has enabled a steady pace of delivery and averted discontinuities.

Over the past two biennia, RI2 has achieved maturity of design and process and is well poised to ramp up its scale and coverage amidst a growing canvas of needs and opportunities. The evaluation notes merit in further strengthening its effectiveness through the following:

- **Seeding a Food Systems perspective** - The region is characterised by geographic and economic diversity, and the increasing matrix of trade interdependencies, enabled by trade and economic integration. At the same time, there are potential vulnerabilities given the concentration of supplies of major commodities in a few countries, changing climate patterns, and adverse impacts of natural resource exploitation. This makes Europe and

Central Asia an important region to seed regional level sustainable food systems approaches and engage in upstream policy dialogue and scenario analysis at the regional level, to include a more holistic consideration of longer-term trade-offs among different value chain approaches;

- **A multi-year umbrella initiative** - RI2 is well positioned to transform into a longer-term programme for strengthening agriculture trade diversification of post-Soviet transition countries, and address a growing demand for requests related to the SPS compliance requirements of surrounding, and new markets;
- **Regional Programme Resource mobilisation** – With a diversity of trade and market access opportunities, donor prioritisation of agribusiness and value chain development, growing demands to understand SPS and Technical Barriers to Trade (TBT) issues in agriculture trade, and emergence of new trade and development partners, there is much potential for dedicated resource mobilisation for trade focused regional interventions. There are opportunities geared towards meeting import-based food security strategies of China, and Arabian Gulf and Middle East markets, besides exploring cooperation with other development partners such as the Asian Development Bank, International Finance Corporation or the Islamic Development Bank Group;
- **Broader agency partnerships to engage with private sector** - With a growing pipeline of technical and market access needs in value chains, there is a need to strengthen and increase partnerships with relevant UN agencies, especially UNIDO, ITC and ILO, which deal more directly with private sector;

FAO is well placed to expand the programme and show concrete impact on agriculture trade, by applying a sustainable, long-term food systems approach in a diverse and dynamic region, and finding opportunities in the multiple challenges that remain.

83. Contributions to Outcome 4.2 - Agribusinesses and agrifood chains that are more inclusive and efficient are developed and implemented by the public and private sectors.

- Technical support, capacity building and normative products have supported the development of policies and strategies in topics such as contract farming; design of agribusiness policies; data and statistics; strategic reserves and public procurement; linking smallholder producers and processors to school feeding via municipal contracts; improved labelling and support to nutritional laws.
- In Viet Nam, FAO provided contract farming advice, including feasibility analysis, beneficiary selection, preparedness, operations, monitoring and evaluation and legal issues (form and content of the contract, responsibilities of the parties, strategies to minimize and manage risks, force majeure, breaches and remedies and options to conflict resolution). This has been used in a curriculum for training institutions in Viet Nam.
- FAO has supported the establishment of a regional network for Public Food Supply Systems in Latin America and the Caribbean. Despite the wide variety of legal frameworks and systems in the participating countries, the network is considered by the participants to be a very valuable space for dialogue, learning and cooperation.
- *Purchase from Africans for Africa* is a programme implemented by FAO, WFP and the International Policy Center for Inclusive Growth, combining school feeding activities with institutional procurement from farmers' organizations. In Senegal, the evaluation found that the programme contributed to increased incomes of female and male rice producers. Profits

from the sale of their surplus gave women the opportunity to invest in their children, to buy livestock and develop livestock, and to better meet their own needs.²³

- FAO has developed a unique expertise in food loss and waste reduction, and has built capacity in a broad range of stakeholders in topics such as in post-harvest management, value chain development, food processing, marketing of agricultural commodities, and statistics. While the focus has been more on food losses, it has also raised awareness among consumers, and worked with markets and supermarkets to reduce waste.
- Pilots at country level were important for demonstrating the possible reductions in food losses, although technical considerations on reducing post-harvest losses also need to be accompanied by consideration of capacity or willingness-to-pay for the tools/technology being introduced (see Box 4 for an example).

Box 4. Reducing Food Losses through Improved Postharvest Management in Ethiopia

This Swiss funded FAO project pursues the reduction of post-harvest losses through the introduction and distribution of metal silos and hermetically sealed plastic bags for wheat, sorghum, maize and beans; with focus on areas with high post-harvest losses.

The field visit conducted by the evaluation team showed that the silos are very effective in reducing losses to pests and diseases. The project is credited with generating interest and commitment from the government on addressing food losses, such that the government is now willing to allocate domestic budget to support some of the activities outlined in an implementation plan for a draft national policy on post-harvest management.

The picture is less positive on the sustainability and economic side. Through focus group discussions, it was determined that the non-subsidized price for metal silos is not affordable for most farmers. It emerged that there was no proper study done on how to market the technology beyond demonstration, such as through a capacity and willingness-to-pay study.

Commitment by government is seen as strong, with government counterparts indicating intentions to scale up the demonstrations to other districts. However, so far, no general scaling-up strategy through market mechanisms has been determined, nor a finance strategy for artisans or farmers. In sum, a credible business model to be pursued for the sustainable, efficient and equitable distribution of this post-harvest technology has not been developed, nor did the evaluation mission find much intention to do so among public entities.

- In South Asia, FAO supported policy measures for managing quality and reducing post-harvest losses in fresh produce supply chains. The project trialled sacks, crates, hot water treatment and cold chains as means to reduce losses. The following results were achieved: banana losses in Sri Lanka were reduced from 21 percent to 14.1 percent along the value chain; traditional cauliflower losses in Nepal reduced from 52 percent to 18.3 percent; and mango losses in Bangladesh reduced from 25.1 percent to 7 percent. The project also promoted awareness-raising among customers regarding the economic, social (including nutritional) and environmental benefits of avoiding FLW.
- FAO has supported value chain development in different ways, with great variation between countries. There has been support to traditional value chains, including roots, tuber, fruits, vegetables and grains (see Box 5 for an example). There has also been support to gender-

²³Diagne, A, Solaroli, L., & Ba, A., 2017, Decentralized evaluation of the PAA Africa program in Senegal's Kédougou region (September 2013 – July 2016), WFP/FAO PAA Coordination Unit.

sensitive value chains, green value chain activities, and work on urban farming or short value chains. In many countries within Latin America, the focus has been more on agricultural and food systems. However, in some countries - often due to the limited technical support available, the short time span of the project, or the interests of the government - it has proven difficult to support the value chain in a holistic manner.

- Under the African Solidarity Trust Fund project "Creating Agribusiness Employment Opportunities for Youth through Sustainable Aquaculture Systems and Cassava Value Chains in West-Africa", youth groups in Burkina Faso, Nigeria, Senegal, Guinea Bissau, Ghana, and Côte d'Ivoire were supported in aquaculture production and marketing. In total, 310 youth producers received support across the six countries. While in Nigeria, there are reports of large volumes of production and profits for youth and women producers, the results are mixed or less positive in other countries. The evaluation found that inadequate attention was paid to the whole value chain, including input suppliers, while little consideration was given to bringing the project to scale beyond the establishment of a few demonstration plots across the six countries. Furthermore, many of the youth who were targeted did not have ownership of the land where the ponds were built, which may affect the sustainability and replicability of the model.
- The best results from FAO's value chain interventions were achieved through activities that either had funding for larger and longer projects, or strung together various projects on different aspects of one theme (e.g. work on quinoa in Bolivia and Latin America).
- The FAO Technical Network on Sustainable Food Value Chain Development has actively promoted knowledge and experience exchange through its webinars, newsletters and knowledge platform on the FAO intranet.

Box 5. Case study of FAO's support to the Caribbean cassava value chain

- In Barbados, the evaluation observes some success with the Caribbean cassava value chain intervention. Work began in 2014 in response to the Caribbean Community Secretariat decision to support locally grown products that could substitute for imports. Stakeholders include the Ministry of Agriculture, Barbados Agricultural Development and Marketing Corporation (BADMC), universities, Caribbean Agriculture Research and Development Institute, farmers, and a private sector bakery. The committee meets every two weeks to review sales, challenges, marketing, production implications and issues. Meeting regularly has built trust and good communication among the stakeholders of the value chain, and they understand the need to make it financially viable. BADMC commented that it has changed their outlook and become much more business-oriented.
- The key was to have a strong partner from the private sector (Purity Bakery), who was willing to introduce a new product. They were initially sceptical but are now convinced that it is a viable product, with good consumer acceptance. They are happy to be working with local, smallholder farmers and benefitting the community.
- FAO's contract farming and business model training in 2015 helped the value chain members understand that when private sector companies are the drivers, lasting improvements and sustainable development are more likely – rather than the more typical process started by government and then 'handed over' to farmers or processors.
- Considerable facilitation was provided by FAO, and it is questionable whether the project would be viable if these costs had to be considered. It is also unclear whether these developments had any higher level impact on imports of wheat or the balance of payments, but it is likely too early to see a change.

84. Contributions to Outcome 4.3 - Policies, financial instruments and investment that improve the inclusiveness and efficiency of agrifood systems are developed and implemented by the public and private sectors.

- At the country level, FAO's rural finance team, with initial support from TCI, has provided strong technical backstopping for the design and implementation of the Livelihood and Food Security Programme (LFSP) in Zimbabwe. Through the LFSP, FAO collaborated with five micro-finance institutions and three banks in an effort to increase smallholder farmers' access to formal financial services, through risk reduction strategies for lenders, as well as development of new financial tools in partnership with the lenders. In Kenya, farmers have better access to loans in the form of seeds as part of a larger project on conservation agriculture, funded by the European Union. In Ethiopia, FAO and the Rabobank Foundation have collaborated with local microfinance lenders to select rural farming cooperatives to promote value chain development and generate employment.
- At the global level, FAO has partnered effectively with IFAD, GIZ/BMZ, UNCDF and the World Bank on the "Improving Capacity Building in Rural Finance" (CABFIN) project. As part of this joint initiative, a web platform was created called the Rural Finance Investment and Learning Centre which today acts as a reference point with over 3,500 documents in three languages, catering to over 5,000 members from 150 countries.
- TCI has been successfully working for many years in the Ukraine on policy dialogue and institutional support. Experience with sectoral platforms and other policy mechanisms in the Ukraine was later replicated in Serbia's meat and dairy and Egypt's grain sectors. The long-term cooperation with EBRD and involvement of the same team in FAO was critical here as facilitation of policy dialogue is more complicated than project investment support work. EBRD appreciates the specific agricultural technical knowledge of FAO/TCI in its private sector focused operations.
- In Sub-Saharan Africa, TCI assisted several countries with improving the policy framework for agriculture and food security, which included support to the formulation of National and Regional Agriculture Investment Plans (RAIPs and NAIPs) under the Comprehensive Africa Agriculture Development Programme (CAADP) framework in close coordination with RAF. This includes work with more than 20 countries in Africa and with Regional Economic Communities, such as the Economic Community of West African States, the Intergovernmental Authority for Development and the Southern African Development Community. TCI also supported the design of 72 agricultural development and food security investment projects in nearly 40 African countries.
- Under the MAFAP programme, in Kenya and Mozambique, key policy constraints to agricultural development have been validated with the Government and prioritized for reform. In Rwanda and Burundi, key policy constraints in priority value chains (rice, coffee, tea) have been identified and discussed with Government. However, MAFAP effectiveness in influencing Government policies and reforms synergistically is somewhat limited, partly due to its limited institutional grounding in FAO and its relatively recent change in strategy during the second phase that has yet to bear fruit.

VIII. Contribution to Gender Objectives

Finding 9. At the global level, FAO has developed several guidelines and learning products, which serve as a basis for policy support, capacity building and implementation of programmes addressing gender equality. At country level, the majority of activities and results reported aimed to support community level interventions and capacity building.

85. While a full report on SP4's contribution to gender objectives is presented in Annex 1 to this report, a brief summary of some contributions is presented below.

- In several African countries, there has been support for value chain analyses and action with specific women's groups on issues such as the small-scale fisheries sector, considering how to support reductions in FLW, and improving processing and nutrition, cross-border trade and links to markets. For example studies of gender in the dairy value chains in Rwanda, Kenya, Ethiopia and Afghanistan have been implemented. The findings have been published as well as used to guide the subsequent design and implementation of dairy value chain projects in Rwanda and Kenya. This was a good process, ensuring practical roll-out of gender focused actions, rather than only staying on paper.
- A project that supported inland fisheries in Angola worked on improving processing and reducing fish losses. The project supported mainly women to learn about proper fish handling and how to make insulated storage containers using recycled materials. They also learned about low-cost processing and packaging techniques to boost consumer appeal and market value. This has been a very successful project and appears to have catalysed additional investment from the government and other donors to continue the work. The fisheries department within FAO has been working on FLW and value chain work for many years, so it is probable that this project is not really a direct result of SP4. Nonetheless, the technical staff say that the emphasis on access to markets and cross-sectoral sharing has been an added benefit.
- In West Bank and Gaza, women's cooperatives and One Stop Shops were supported, however, the contributions to gender equality or women's empowerment seem limited. For example, although some activities aimed at helping women to strengthen their business capacities and increase their access to markets, there was no evidence of any market assessment that identifies the specific gender-related institutional and market constraints, nor an analysis of the opportunities of economic integration and empowerment. Partly as a consequence, the project did not appropriately address the issues of workload, unpaid labour and how these issues affect women's ability to earn an income, nor the role of women in the informal sector.

86. *With regard to gender mainstreaming across FAO's work*, there has been good progress in recent years. In the FAO Regional Office for Africa, the evaluation found that there is more acceptance of gender mainstreaming by colleagues who have changed their attitudes as a result of the capacity building and gender assessment activities, and the country offices are making more demands to the regional office for support. However, some regions reported that it was more challenging to work with gender in SP4. For instance, there was feedback that some countries are more interested in value chains than in gender-sensitive value chains. In particular, some FAO staff expressed facing difficulties in discussing gender issues when the cultural norms are very conservative towards gender equality or women's empowerment.

IX. Contributions of SP4 to the SDGs

Finding 10. The evaluation finds that SP4 is well aligned with the SDGs. In particular, FAO is the custodian agency for Indicator 12.3, concerning food loss and waste. Sustainable development approaches benefit from systems thinking; in this regard, SP4 is well positioned for supporting contributions to the SDGs.

87. The MTP 2018-2021 reflects a more explicit integration of the SDGs into FAO's strategic framework. Accordingly, under SP4, four relevant SDG targets (2.3, 2.c, 12.3 and 17.11) are at the SO level, and relevant indicators have been included. The targets now include: significant increase in exports from developing countries, particularly with a view of doubling the least

developed countries' share of exports by 2020 (17.11). Outcome level indicators include five indicators of SDGs 2, 8, 9 and 14, covering: financing and investments; loans or credit; and implementation of international instruments on illegal, unreported and unregulated (IUU) fishing.

88. The evaluation observes two gaps in the design of SP4 for 2018-2021: i) while an agriculture and food systems approach is inclusive by nature, gender dimensions including contributions to SDG 5 on gender equality have not been explicitly identified despite the clear linkage and potential of SP4 to contribute towards women's economic empowerment; ii) inadequate emphasis on resolving non-tariff measures in agricultural trade. There is increasing evidence and recognition that non-tariff measures, especially SPS related measures have much greater impact on trade than tariffs; and while there has been progressive reduction in tariffs across countries (over 60 percent of agriculture trade from LDCs is duty-free), there is an increasing incidence of non-tariff measures and specific trade concerns on food safety, plant and animal health and quality grounds. SPS measures apply on more than 80 percent of all agrifood trade, and can be several times more restrictive than tariffs.²⁴ It is also important to note the significance of resolving non-tariff measures in the context of fish trade. With increasing levels of trade activity in the fisheries sector along complex global value chains, developing countries and industry are facing a rapid increase of technical regulations and standards. While some of these measures encompass legitimate policy objectives, greater support needs to be provided to developing member states to ensure greater market access opportunities. This has implications for contributions to SDG target 17.
89. SP4 has already made progress in contributing to the SDGs, in particular SDG 14. FAO, UNCTAD, and UNEP have a joint initiative toward ending harmful fisheries subsidies. FAO and UNCTAD also partnered jointly on convening an informal preparatory working group to deal with some of the targets. This resulted in a summary document *Advancing Sustainable Management and Trade-related Fisheries Targets under SDG 14* which was released at the 'Call for Action' session of the UN Oceans Conference in June 2017. The strong endorsement by members and the progress of the informal preparatory working group's work on implementation has built momentum and elevated the importance of the need to have a binding global agreement on harmful fisheries subsidies at the upcoming 11th WTO ministerial conference in Dec 2017. The FAO-UNCTAD-UNEP partnership can serve as a good practice example of the synergistic collaborations needed towards supporting SDG targets.
90. As custodian agency for SDG 12.3, FAO is supporting countries with technical consultations to get a more accurate measurement of the current levels of FLW. A standardised FLW methodology, including a database and standard imputation model have been identified. An e-learning course on the methodology has been prepared and will be put online soon. In addition, standard guidelines for measuring FLW in specific crop types (e.g. grains) are being published. Currently in the food balance sheets, produced for each crop and each country, the data on losses show only approximately 4 percent real data and 96 percent imputed data, so there is considerable room for improvement.

²⁴ UNCTAD 2014 Series 68 Trading with Conditions: Effect of SPS measures on Lower income countries' agriculture exports.

X. Assessment of enabling/limiting factors for results and sustainability of results

91. FAO's contribution towards promoting inclusive and efficient food systems was enabled or impeded by a number of success and limiting factors.

92. The main enabling factors as observed in this evaluation are:

- Increasing realisation among FAO's constituency of the role and influence of trade in promoting agriculture, economic development, food safety and security, and accordingly, increasing prioritisation of agriculture trade as an engine of inclusive growth and food security, reflected in key policies and strategies in developing countries;
- Clear mandate for FAO to engage on trade related issues affecting agriculture and food security;
- Strong comparative advantage - specialist technical expertise in agriculture and allied domains;
- Unique intergovernmental structures and arrangements to support consensus-based standards formulation;
- A formidable repertoire of authoritative knowledge products and technical guidance materials;
- International partnerships and knowledge networks to support surveillance, early warning, emergency response and food chain crisis prevention of transboundary plant pests and animal diseases;
- Long standing in-country presence, grasp of national context, needs, and entry points to engage with national structures and institutions;
- Natural space in implementation of trade-related compliance systems and governance, based on reputation of neutrality.

93. At the same time, the evaluation observed some factors that limit FAO from contributing to its full potential and impact at the country level. Some factors that can be addressed within FAO are listed below.

- Legacy of traditional engagement modalities and counterpart status and lack of entry points other than ministries of agriculture;
- Limited examples of partnership approaches for joint implementation of integrated value chain development programmes (production, agribusiness, trade and distribution, markets, consumers);
- Until recently,²⁵ tailored donor engagement, communication and resource mobilisation strategies were weak with regard to promoting FAO's agricultural trade-markets- value chain-food systems approach, especially in non-LDC environments with shrinking development assistance flows. There are several donors and IFIs interested in private sector development, linked to markets. However, FAO's strategy to engage and get a due share of this work remains largely dependent on its resource mobilisation mechanisms, and on TCI's business model. There is a need to strengthen capacities in regional and country offices to engage with IFIs;
- Inadequate expertise in country offices to promote/formulate value chains/food systems approaches and engage in agriculture and trade policy coherence dialogue. The country offices are dependent on backstopping from regional, subregional offices and headquarters, and project supported resources, but technical backstopping by the regional

²⁵ Since 2017, there has been strengthened support from the Technical Cooperation Service to the SP management teams that includes a market information driven strategy on resource mobilization.

and subregional offices are constrained by capacities and regulations. This implies delays in getting sound but limited support;

- Long-drawn administrative procedures (which deter partners and donors), as well as potentially missing the times when the expertise or inputs are needed during the agricultural cycle;
- Discontinuities and lack of follow-on interventions to scale up or leverage demonstration potential of TCPs;
- The continuing reliance on 'emergency support' funding and project-supported staff to implement preventive surveillance and control assistance programmes in countries carries the risks associated with withdrawal or down-scaling of donor support, which impact FAO's technical assistance capacities in several agriculture-exporting developing countries. FAO's capacity to support future demands, which will increase on the ground along specific value chains, will depend largely on adequate in-country capacities and successful partnerships, including with private sector actors. These necessitate a review of strategies and resources in countries offering potential for transformation.

The evaluation recognises that many of these issues are not specific to SO4 and need to be addressed across the organisation.

XI. Partnerships

Finding 11. Multi-stakeholder approaches that bring in "non-traditional" partners underpin many of SP4's activities. However, institutional and capacity challenges remain that limit FAO from capitalising on opportunities for innovative partnerships, particularly with the private sector.

94. The evaluation notes that there has been good progress in recent years on SP4-linked partnerships, facilitated by the Partnerships and South-South Cooperation Division (DPS). Of the 97 partnerships facilitated in 2016, 25 were explicitly linked to SP4.
95. Indeed, the diversity of activities under SP4 imply that a diversity of partners can be identified, in particular extending beyond the traditional lead partnership with the Ministry of Agriculture. There have been many good examples of this. For instance in the Food for the Cities programme, and the ongoing project titled "Developing Sustainable Food Systems for Urban Areas", the work is guided by multi-stakeholder platforms, including local government of various levels, civil society, researchers, charities, farmers, marketers and others. FAO is assisting the groups to institutionalise programmes via legislation and budgetary allocations in local government. FAO's recent initiative with the EIF processes in Africa is also a welcome step in efforts to improve coherence and coordination between agricultural and trade policy formulation.
96. A survey of FAO's gender focal points indicated the range of partnerships engaged in, with the government as the predominant partner, but also a significant percentage of partnerships with NGOs and other international organizations, including UN system agencies (see Figure 2). Notably, it was reported that as well as working on gender assessments with ministries of agriculture, FAO has worked with the African economic communities to develop their draft policies for gender and agricultural development and action plans – making them more specific to agriculture and adding data from country gender assessments and building action plans.

Figure 2. Types of partnerships in support of the gender activities

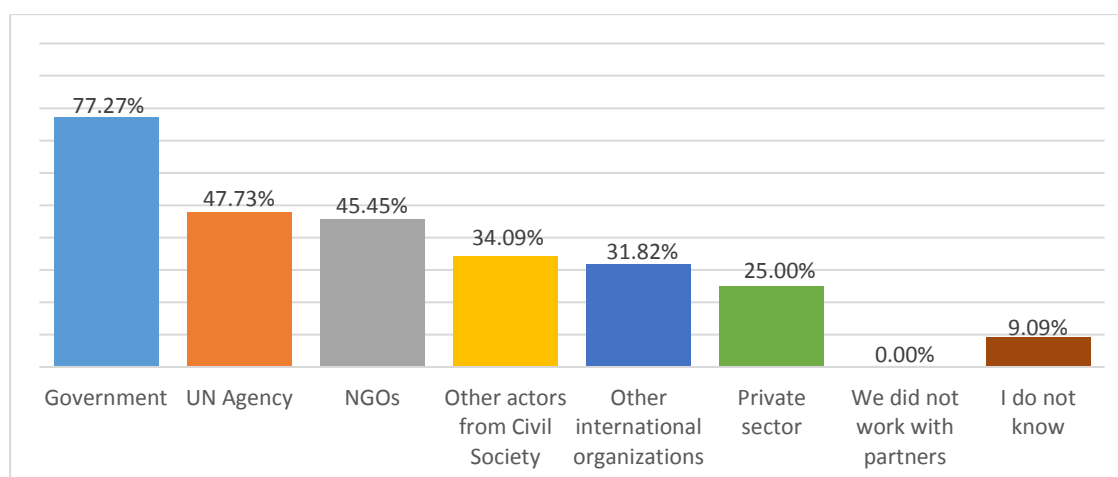


Figure 2 Source: OED survey of FAO gender focal points, 2017

97. Anchor partnerships with WHO and, with OIE where it relates to animal health, have been instrumental in FAO's food safety work, and these partnerships are becoming stronger in view of the increasing need for 'One Health' approaches straddling the plant-animal-human ecosystem interfaces. These partnerships have been instrumental in developing global knowledge and evidence based approaches, as well as the introduction and propagation of best practices, standards and operating procedures among food safety practitioners.
98. Work on global trade and value chains also requires relationships with the private sector, beyond farmers. FAO has made good headway in developing a number of partnerships with private sector entities. The partnership with Messe Dusseldorf and Interpak for the SAVE FOOD initiative is a visible vehicle that is contributing to advancing the FLW agenda. It also contributes to SDG 12.3 by bringing together about 900 stakeholders from the government, private sector (particularly the packaging sector) and civil society. Indeed, the evaluation finds that FAO's active engagement of multiple stakeholders in its work on FLW has engendered active engagement of the private sector, such as with Nutresa in Colombia, and with Cargill in Sri Lanka and in India, where Cargill has expressed interest in supporting state of the art warehousing.
99. The Advisory Committee on Sustainable Forest-based Industries is a FAO statutory body composed of senior executives from the private industry sector worldwide. The evaluation took note that this is a model that has existed for decades and has allowed FAO to have close links with the private forest sector. The World Banana Forum is another such example.
100. With the value chain development work at country level, there have been some good examples of involvement with the private sector and NGOs, for example, the Cassava value chain supported in Barbados included a wide range of stakeholders, the Safe Vegetables value chain project in Viet Nam linked farmers to supermarkets, and there were collaborations with Coffee and Cacao cooperatives in Bolivia.
101. Throughout this evaluation, however, FAO staff and others commented that creating partnerships with the private sector (beyond smallholder farmers or small and medium-sized enterprises) was difficult. Despite the guidelines produced by headquarters, staff felt uncertain as to what is possible given the demand for companies to pass very rigorous due diligence requirements. Moreover, there were perceptions that FAO's bureaucracy made it difficult to

negotiate with large companies. FAO's policy on private sector partnerships, which is well-articulated, is perceived as being overly conservative and deters the pursuit of opportunities, especially in decentralised offices.

102. This evaluation also identifies a gap in support that is limiting the broader development of partnerships with the private sector at the national level. DPS plays a central and active role at the global and regional levels, while its role is to guide and support at the country level. Resource limitations exclude the possibility of having a national partnerships officer, but capacity limitations in country offices are a severe constraint on their ability to actively build partnerships with the private sector. There are capacity constraints in terms of number of staff and in the ability to seek out and mobilise such partnerships.
103. *Partnerships within the UN system.* Joint Programmes and work via One UN have potential for added value and complementarity; in practice, however, it seems that the different agencies are struggling to work with the same pot of money. Despite this, there have been some good examples. For instance, in many countries, particularly in Africa, WFP and FAO work together effectively on school feeding purchases. FAO and UNIDO have made good attempts in formulating joint projects, on an opportunistic basis. A salient partnership is the African Agribusiness and Agro-industries Development Initiative (3ADI), involving IFAD, AfDB, UNIDO and FAO in agribusiness value chains, food security, policies, financing and related trade.
104. Main external partners for TCI are the World Bank, IFAD, EBRD, the International Finance Corporation (IFC) and the Inter-American Development Bank (IDB). The 2013 *Evaluation of FAO's Role in Investment for Food and Nutrition Security, Agriculture and Rural Development* noted important limitations of TCI to find partners beyond its current ones, particularly the difficulties in working with ADB, AfDB and EIB, mainly due to the need for regular tendering processes with the latter, while this is not necessary for the other IFIs. These limitations persist to this day. TCI has been facing difficulties in expanding its operational business model with the EBRD to other partners and regions, due to missing partners and high start-up costs for partnering. This is recognized by the draft FAO Investment Strategy which sets some concrete targets to enhance IFI collaboration in other regions (such as with the EIB in Africa), particularly on enabling environment activities. IFC and the ADB would certainly be appropriate partners for TCI in much of the SO4 related work.

XII. Conclusions

Conclusion 1: Although uptake of the agricultural and food systems concept is still in a nascent stage in most countries, this approach is highly relevant for FAO's support to countries. There is good potential to grow this area of work, including through building upon cross-SP synergies.

105. Food-systems thinking has yet to evolve in many member countries and regions, considering that most LDCs have only recently begun implementing value chain approaches in a narrow range of products. While there is a growing level of appreciation in countries of the need to mainstream trade in agriculture policies and vice versa, policy coherence on agriculture, food security and trade remains weak in many countries.
106. Although FAO's 'standards, trade and markets expertise is relevant to all countries, the demand is mainly from countries that have: consistently attained surplus and competitive agriculture production levels; prioritised value-added agriculture products as a key component of exports; and are pursuing policies and strategies toward integration into global value chains and availing of preferential trade opportunities. Thus, on-ground engagement in these areas is more visible in agriculture surplus non-LDC countries, particularly in Asia, Latin

America and Eastern Europe, which are implementing bilateral and regional trade/accession agreements.

107. Organizational and management changes to SP4 since late 2015 unsettled implementation of the programme for some time. In particular, since the dissolution of the Rural Infrastructure and Agro-industries Division, which many regarded as the “home” of SP4-related expertise (even though the Trade and Markets Division and the Office of Food Safety have also been key providers of SP4 expertise), the capacities have been dispersed across the organization. But, momentum is picking up. The SP4 team has progressively been introducing new areas of work that reflect the SP4 spirit/concepts/strategy, and will also be rolling out a capacity development programme on food systems. Some regional and country offices now have a better understanding of SP4 and are programming more appropriately. There is an increasing reflection of SO4-related themes in the CPFs. In several CPFs, there is a specific prioritisation of value chain development including the development of food safety and health standards, which endorses the usefulness of the programme. This has benefited from the guidance provided by SO4 focal points in regional offices, as well as the SP4 management team in Rome.
108. There are good illustrations of inter-SP synergies, especially with SP5 - emergency response work relating to transboundary plant pests and animal diseases, and food safety incidents; some aspects of SP2 - overlaps with plant and animal protection, as well as food safety aspects linked to pesticide and antimicrobial residues. The value chain concept also involves the work of SP2 with production and SP4 with post-production, and the access and empowerment aspects of SP3 - access to tenure, finance and rural services for female and male smallholders. SP4 contributions are from all technical divisions, including salient, flagship contributions to trade governance by forestry and fisheries divisions.
109. There is also a notable contribution of the Investment Centre Division to SO4 results, especially in Eastern Europe. The inclusion of investment support as a separate output under SO4 made the Investment Centre much more visible within FAO, by showing its linkage and contributions towards corporate objectives.

Conclusion 2: FAO has a comparative advantage in supporting the formulation of standards, providing authoritative data, and promoting enabling environments for value chain development. However, SO4 faces capacity gaps in the areas of food safety, trade, value chain development, agribusiness, investment support at the regional level, and value chain finance at headquarters that constrain the ability of the programme to reach the ambition of the Objective. These gaps pose reputational risks, as well as limit capacities to backstop and scale-up field projects.

110. FAO's greatest strengths are its neutrality and technical authority and expertise. It is trusted by countries to provide expert advice on policy, nutrition and value chains, with excellent data and normative products. In particular, FAO is seen as a leading authority and reference organization in the areas of international standards setting; development of national legislation and regulatory frameworks for food safety, plant and animal health surveillance; monitoring, surveillance and emergency response support to control plant and animal diseases, including transboundary interventions; food losses and waste reduction; and support to investments.
111. There are doubts about FAO's capacity in some of the areas under SO4, for example in value chain finance, but also in agribusiness in general at decentralised levels. Mobility, attrition and reclassification of posts have resulted in glaring gaps in some important areas of work (for

example, food safety and rural finance), and this has major ramifications for the capacity to support strong demand from countries for technical assistance in those areas. FAO is also limited by its procedural bureaucracy, weak field level technical resources and resource mobilization at the country level. It is also unable to provide significant financial support or establish partnerships or commitments to scale up its small projects, which raises questions as to its strengths as a provider of field level technical assistance in some areas.

112. At the same time, there is huge variance in FAO country office capacities to promote the food systems approach or engage with multiple ministries having jurisdiction over trade, food safety, and plant, animal and human health aspects. The Strategic Framework's intent to translate FAO's upstream and global knowledge into country level results requires commensurate technical resource deployments to strengthen country level assistance. Regional offices, who are at the front line to backstop country offices are staffed by one or at most two technical officers for a subject matter to support a large and increasing footprint of small country projects, which limits their substantive contribution and potentially jeopardizes delivery effectiveness.

Conclusion 3: Valuable efforts have been undertaken to apply the lessons of gender and value chain analyses, but such examples remain limited.

113. With regard to gender objectives, there have been substantive contributions at the knowledge level, and capacity building at community level. In particular, there has been a positive follow-through regarding work on gender-sensitive value chains.
114. There is however, still some uncertainty of how to go about mainstreaming gender in SO4, and budget and capacity constraints. Partnerships and joint programming with other organizations could help to increase this expertise at the country level. Further, FAO, and SP4 in particular, should focus more on strengthening gender analysis in its programmes and projects. It is notable that gender markers are missing from many projects, even those developed well after the introduction of this as a mandatory element. As was noted in the evaluation of SO3, a more robust analysis of the implications of FAO's interventions on gender inequality would help identify and understand what type of interventions, and under which context, would lead to greater equality gains.

Conclusion 4: SP4 emphasizes a multi-sectoral approach, aligning with ministries other than the ministry of agriculture, and FAO has developed a wide array of effective partnerships in its activities under SO4. However, there is further scope for partnering with the private sector

115. A tendency for FAO to align itself primarily with the ministry of agriculture at country level needs to be reconsidered to support multi-sectoral interventions for agricultural and food system enhancements. Value chain projects and the development of export strategies are commonly dealt with by both the Ministry of Industries/Commerce and the Ministry of Agriculture. Agricultural markets are an issue handled by the Ministry of Agriculture and the Ministry of Trade, and some other Ministries such as the Ministry of Fisheries and the Environment. In some contexts, despite accession into the WTO, the national food safety agency is either a new agency, or an ad-hoc institution that different Ministries may control, such as the Ministry of Agriculture, Ministry of Health or Ministry of Trade. Engaging on trade, markets and food systems approaches requires a skill mix and profile of country offices that is different from FAO's traditional expertise.

116. FAO has demonstrated good collaborations under SP4, working with a diversity of partners: government counterparts from across various ministries, UN agencies and multilateral organizations, regional economic bodies, regional and national technical organisations, research and analysis think tanks, academia and civil society organisations. The major areas of partnership were policy dialogue, data and knowledge sharing linked to international agreements and trade governance issues.
117. Market-based development involves the private sector, and FAO needs to work more closely with the private sector than it has before. However, FAO's policy on private sector partnerships, which is well articulated, is perceived as being overly conservative and deters the pursuit of opportunities especially in decentralised offices. There are nonetheless several opportunities/entry points that could be more actively pursued, including partnerships with other UN organizations that deal more directly with the private sector, and facilitation of multi-stakeholder platforms in support of strengthening regulatory frameworks that are conducive to private sector development.

Conclusion 5: FAO's resource mobilisation challenges for SO4 are linked to the need for increased clarity on SP4's programmatic offerings, as well as the need to access non-traditional funding opportunities for non-LDCs.

118. A number of products under SP4 benefit from the stability of ring-fenced financial resources. However, for other programme components, implementation of the SP does not seem to have been accompanied by a clear investment/resource mobilization plan. FAORs report being asked to operate within a new SF and implement the strategic programmes, but are not given the tools or resources to do so.
119. FAO operates in a crowded landscape of trade-related technical assistance in food safety control and quality systems. A large share of bilateral assistance is linked to preferential access and has provided few opportunities for FAO. FAO also faces an increasing challenge in raising resources to support non-LDC developing countries, creating reliance on small TCPs under its regular budget to deliver most of its assistance in standards compliance areas. However, there is also inadequate engagement with important regional and international financial institutions that are supporting trade, markets and value chain development. The capacities in regional and country offices to engage with IFIs, and also to mobilise funds in general, have been inadequate. Renewed efforts and approaches are under development toward more effective resource mobilisation.

Conclusion 6: Programmatic integration of SP4 could be improved.

120. There are some noteworthy examples of strong collaboration and coordination between the different outputs of SO4, working across technical divisions to deliver a holistic 'SO4 package' of assistance to countries. These examples are limited and generally arise only in cases of large extra-budgetary funded activities (e.g. the European Union-funded Roots and Tubers project in Africa, the food safety projects in Bangladesh, or the UK-funded LFSP project in Zimbabwe), so this is linked to resource availability, but is also a conceptual issue. Using the blueprint of successful collaborations, opportunities exist to better integrate and align the work of MAFAP and TCI with other activities under SO4. One example is the Regional Initiative implemented in Europe and Central Asia where trade and value chain support was coupled with enabling environment support for investment from TCI.SP4's lead role in that regional initiative

enabled the capitalization of such opportunities, while not having a lead on the RIs in the Near East and initially in Africa was a limitation.

121. FAO is also engaged in a substantial body of work that could be classified as promoting 'green food value chains' (e.g. Blue Growth, bioenergy, energy and water efficiency, as well as FLW in food value chains); however these activities are not explicitly labelled as such, and are spread across many departments and guided by a number of different approaches and frameworks. There is scope for improving coordination, systematization and rationalization of those fragmented activities that clearly contribute to the promotion of green food value chains, for example under the umbrella of the Sustainable Food Value Chains Network within FAO, to promote lessons learning and coherence.
122. To strengthen intra-SP4 linkages, the SP4 management team could proactively identify opportunities for integration/synergies when reviewing the milestones/service level agreements planned by the technical divisions, while also ensuring gender, nutrition and environmental sustainability are meaningfully mainstreamed in the interventions.

XIII. Recommendations

Recommendation 1: Develop a limited number of identifiable flagships under SP4 that include an all-SP4 programmatic offering, and link with other SPs as required.

123. A number of options could be considered for a flagship programme:

- Scaling up an improved version of its RI2, which encompassed an "all of SP4" programmatic intervention and has already delivered promising results.
 - Drawing upon RAP's "One Health Plus" programmatic model to have a "One Agricultural and Food System" programme that involves an integrative approach for preventing and mitigating health threats at the Animal-Human-Plant-Environment interface with the objective of achieving public health and wellbeing, and facilitating trade.
 - Scaling up models already being tested through the "Developing Sustainable Food Systems for Urban Areas" and "Trade related capacity development in Eastern and Southern Africa" projects.
 - Based on FAO's comparative advantage in supporting national policies/strategies and legal frameworks, adopt a model of the FIRST programme²⁶ by having a policy officer in a select number of countries that can support the agrifood systems analyses and facilitate discussions in this regard. These "Food Systems Officers" would undertake work based on a MAFAP/TCI (policy analysis) framework/approach involving the following programme components for instance:
 - A socio-economic/food systems analysis of the agrifood situation and policies of the country to understand the needs and competitive advantage;
 - Identifying the priority value chains and the interventions required for their development or strengthening, including ensuring the consideration of issues such as food safety, sustainability, women's economic empowerment and nutrition, while also aiming at improving the quality of and the linking among technical, business, and financial services;
 - Developing an investment plan for those interventions;
 - Support to the government in coordinating resource partners.
- A potential entry point for the above suggestions are requests by national governments for FAO to support the formulation of their agricultural sector strategies (aimed at

²⁶ Food and Nutrition Security Impact, Resilience, Sustainability and Transformation (FIRST) – EU/FAO

transformation of the sector) and the accompanying sector investment plan. Alternatively, such analyses should be undertaken to inform CPF formulations. TCI has already envisioned similar processes in their draft “FAO Strategy for Support to Investment in Food and Agriculture”.²⁷

124. At the same time that those CPF formulations are being undertaken, the SP teams should initiate discussions on adopting specific SDG targets as the common goals for FAO and counterparts, enshrine them in the CPFs, and assign appropriate national targets and indicators for successive CPFs, building up to 2030. This will make the CPFs more strategic: a ‘living-series’ with a progressive roll-out of interventions linked to specific SDG targets, with milestones reviewed at the beginning of each CPF. Thus, CPFs can develop into systems-based, country-specific roadmaps for FAO to support the achievement of relevant SDGs at the country level.

Recommendation 2: In applying the principles of inclusiveness and efficiency, FAO should customise and adapt its approaches to agricultural and food systems with differing levels of complexity and integration, taking into consideration the readiness, constraints and capacities of smallholders to beneficially and sustainably integrate into markets and a diversity of value chains. To be effective, programmes at the national level should strike a good balance of upstream aspects (e.g. resolution of trade measures and trade facilitation issues) and downstream aspects (e.g. strengthening value chain actors in less developed countries to respond efficiently to opportunities). Adequate capacities to backstop these programmes should be prioritised.

125. The emphasis of SP4 within each country will differ depending on the agricultural and food systems characteristics and needs of the country. For example, SP4’s work relating to “trade governance, standards and market access” strongly resonates with many countries in Asia and Latin America - especially the lower middle-income countries, which are moving toward conditions of food surplus and commercial agriculture, preparing for integration into global value chains, and experiencing increased food safety demands from domestic consumers. For many African countries, the entry points would include support to policy formulation, strengthening smallholders’ participation in local value chains, and creating an enabling environment for SMEs.
126. Market-based interventions work for those who meet minimum asset thresholds and are, therefore, value-chain ready.²⁸ Those who do not meet those thresholds require specific, nonmarket-based interventions to create the necessary preconditions for their participation in value chain development. In these cases, other FAO programmes under SP1, 2, 3 and 5 could be more relevant, although already ensuring that these measures are aligned with SP4 approaches (from social support-based to market-based).
127. Opportunities exist in short, local value chains as much as long, international value chains; however, they require different types of capacity development approaches, depending on the nature and profile of the markets and the customers in question. From a pro-poor perspective, FAO’s priorities would need to be more aligned with the needs and challenges of extensive smallholder producer networks, including organising them efficiently through aggregation

²⁷ “To ensure that a CPF has a strong investment focus, FAO’s approach should be underscored by an initial country assessment of the investment climate – generally done by the Investment Centre – and linked to an analysis of the political and economic context of the country. Clearly, close dialogue among investment and policy officers with the country office staff is essential...”

²⁸ Stoian, D., Donovan, J., Fisk, J., Muldoon, M.F., 2012, Value-chain development for rural poverty reduction: a reality check and a warning, *Enterprise Development and Microfinance* 23 (1): 54–69

and compliance with food safety standards, and supporting policy formulation to strengthen female and male smallholders and SMEs in their effective participation in value chains.

128. Higher-level areas of focus include the resolution of non-tariff barriers, which FAO should engage with through international trade fora, such as through the Geneva processes. Thus, FAO needs to articulate its approaches at the upstream and downstream levels, which will call for different types of instruments, resources and partnerships. The evaluation recommends a mix of both, while being selective on downstream interventions based on ability to engage in a sustained, progressive manner, rather than through short, sub-scale pilots. Value chain engagement at country level needs to be a progressive end-to-end approach rather than addressing isolated issues based on limited TCP resources.
129. Finally, an analysis of demands for assistance (number of requests received for SP4-related areas of work) against supply should be undertaken to better inform the capacity needs to ensure adequate backstopping support can be provided.

Recommendation 3: FAO should improve internal and external communications on programmatic offerings under SP4.

130. The SP4 team needs to strengthen capacity development and communications (advisory support) to create awareness and better understanding among FAORs, government and other national stakeholders, donors and other development partners about the advantages of adopting an agricultural and food systems approach to national development strategies. There is also a need to provide evidence that the increased costs and complexity of an agricultural and food systems approach are investments toward poverty reduction, livelihood resilience, and viability of smallholder enterprises. Having flagship SP4 products or defining SP4's concrete programmatic offerings, as suggested in Recommendation 1, would also contribute to improving awareness and promoting traction of SO4 concepts.
131. There is also a clear need to provide better orientation to country offices on trade themes and food systems approaches. SP4 leadership should conduct orientation of country offices on trade issues to better promote FAO's range of offerings in standards, trade governance and market access, as well as seed food systems thinking, in countries showing readiness for longer term approaches. This entails also promoting an understanding of the dynamic shifts in demographic, natural resources and climate change, and their impacts on value chains, trade and food security.

Recommendation 4: FAO should strengthen the strategy and capacities for resource mobilization under SO4. In particular, innovative approaches are needed for resource mobilization at the regional level, in order to unlock the potential in countries where there is momentum for agricultural and food systems approaches and trends toward trade openness. Government co-funding and more effective engagement with regional development banks will become increasingly necessary, due to the downscaling of donor funding in non LDC countries.

132. A well-delineated SO-specific resource mobilisation plan should be prepared in consultation with the newly constituted Marketing, Outreach and Reporting team in the Resource Mobilization Division. This should ideally include FAO's roadmap of support to countries toward attainment of agreed SDG targets linked to the SOs and CPFs, and targeted not only at donors mapped to their funding priorities, but also governments for co-funding. To support country offices in formulating proposals and engagement with in-country donor

offices, the SP management team, in consultation with regional offices, should create a common pool of junior staff and consultants for short missions, upon specific requests.

133. Multi-year Regional Initiatives - Regional offices should be encouraged to raise multi-year funding for Regional Initiatives using a programmatic approach, and adopt regional resource mobilisation strategies with emerging donor partners with specific regional interests.
134. Reinforce TCP criteria - TCPs aim to provide FAO's technical expertise to its Members through targeted, short-term, catalytic and sustainable projects. This should include clear exit strategies, including clauses with government counterparts to commit funds or actions for scaling up if results are achieved. There must be commitment from the government that they will scale up if pre-agreed results are obtained from a TCP.
135. Resource mobilisation in Geneva - The Liaison Office in Geneva should be given responsibilities and supporting resources for resource mobilisation with Geneva-based organisations, given that Geneva is an important hub for trade and humanitarian issues. This could include joint approaches with other UN agencies especially ITC and UNCTAD.

Recommendation 5: Mechanisms and policies to partner with the private sector and IFIs should be reviewed so that there are no unnecessary bottlenecks

136. There is a need for more practical and calibrated approaches that recognise the wide spectrum of private sector profiles - from transnational conglomerates down to district-level small enterprise associations. Accordingly, there is merit in delegating decisions to decentralised levels to pursue limited, short-term, localised opportunities which do not pose corporate reputation risks. The posting of partnership officers in some regional offices is a positive step in this direction.
137. DPS could also provide regional or country offices with hands-on assistance to implement partnerships or undertake programmes involving private sector stakeholders. Currently, there are broad institutional guidelines. There is a need to define strategic and practical guidance at the regional and national levels based on research and analyses of opportunities, to identify potential partnerships and to advise the offices accordingly.
138. FAO's present state of play with the private sector emphasises the need for stronger partnerships with other UN agencies (especially UNIDO, ITC and ILO) that have more direct engagement with the private sector.
139. At the country level, FAO could also support the establishment of credible mechanisms for effective government-business relations. Governments need to undertake regular consultations with the private sector for a better understanding of the constraints they face and how to address them. This will inform the design of effective policies to promote entrepreneurship and boost trade. Promoting enabling conditions for engagement with the private sector requires a whole-of-government approach, in which policy coherence and greater dialogue and cooperation with the private sector are key aspects.

Recommendation 6: SP4 should ensure increased focus on crosscutting issues, including gender, climate change and nutrition in order to better meet the objective of enabling inclusive and efficient agricultural and food systems.

140. While inter-SP linkages (e.g. with SP1, SP2 and SP3) are fundamental in addressing nutrition, climate change and gender, there is still scope for more explicit recognition of cross-

cutting issues within SO4 - for example, identifying entry points for directing climate finance into the development of green food value chains under SO4, or identifying possible entry points for nutrition-sensitive food systems development in discourse among development partners at the national level.

141. Given the limited funding and time available, it was a pragmatic decision to focus on gender in value chains and promoting women's entrepreneurship in the current MTP. However, in the new MTP it will be important to consolidate the value chain work and bring it to scale, but also expand into other aspects of SO4 where possible. For instance, work on sensitising government representatives to the gendered nature of trade agreements would be valuable. FAO could work more closely with other UN organizations on this issue, such as UNIDO and UNCTAD.
142. SP4 can consider strengthening support for the creation of enabling policy frameworks in which private sector-led and collaborative investment and innovation initiatives aimed at greening agricultural and food chains - can thrive. Work on enabling policy environments to promote sustainable and green agricultural and food systems should include regulations and standards, economic instruments, and research and development.

Appendix 1. SO4 results framework from MTP 2018-2021

