FAO’s approach to private sector engagement

STDF, 8 September 2021
New vision and approach

Focus on SDG alignment and achievement

Country-owned and country-led solutions

Beneficiary oriented

Safeguarding FAO neutrality and impartiality

High level of transparency
Private Sector?
How we engage

CONNECT Portal

Private Sector Advisory Group (PSAG)

Staff Guide and capacity development

Streamlined and fit-for-purpose due diligence
• European private sector entities account for a majority of engagements (53%).
• Associations, multinationals and large companies account for 64% of all private sector engagements.
• MSMEs represent 14% of the private sector partnerships portfolio.
Contacts

Engagements
(remain informal – policy dialogues, workshops, joint events)

- Decision by Decentralised Offices
- If Logo use, then light screening

90%

Partnerships
(formalised via legal instruments – e.g. MoUs with mutual commitment to multi-year joint workplans, LoIs)

10%

Full FRAME
New Roles and Responsibilities
- Heads of Stream
- PSS
- Partnerships Officers (PSR/PSU)
- Formulators

Independent DD Review
New Due Diligence and Risk Assessment function

Risk Management
Risk Mitigation Plan

Engagements and Partnerships Committee (EPC)
Composition and Role
- Policy Guidance
- Review and decision on medium and high-risk cases
- Review and decision on low-risk cases (ad interim)

Assignment of risk tiers:
- Head: strategic relevance
- PSS: DD and Risk Assessment
- PO: alignment to strategy
- Formulator: quality

- Minimum Risk
- Low Risk
- Medium Risk
- High Risk
Screening against the UN Exclusionary Criteria and Corporate High-Risk Sectors;

Screening the entity’s commitment to the UN Global Compact Principles;

Identifying significant Environmental, Social and Governance (ESG) reputational risk incidents;

Assigning color-based risk tiers:
- Minimum Risk
- Low Risk
- Medium Risk
- High Risk

If or Formulator to provide IBRMP for EPC decision.
Process: Roles and responsibilities

• **Closer technical engagement** with the private sector for more concrete, measurable results.

• **Greater role** of the Technical Divisions, Offices, Centers, Regional/Subregional and Country Offices

• **Partnership Managers (PM) function** - responsible for the management of each partnership cycle

• **Private Sector team** provides facilitation, coordination and backstopping support, monitoring the contribution of overall portfolio to the new Strategy

• **Private Sector team** - first contact point for consultation regarding the strategic alignment and engagement options
Partnerships

- The oldest national food manufacturing company in PNG
- A true PPP to promote inclusive and sustainable cocoa value chains benefitting smallholders via
  - Improved product quality
  - Improved cocoa storage
  - Standardised certification
- World leading multinational food company
- Establishment of an information exchange mechanism on emerging Food Safety issues.
  a. Foresight/horizon scanning;
  b. Food Allergens;
  c. Food Contact Materials; and
  d. Antimicrobial Resistance (AMR).
Q&A SESSION and DISCUSSION