

166th Session of the Council

Item 6 - Progress Report on the Hand-in-Hand Initiative (26-30 April 2021)

In response to requests by Members of the Programme Committee (PC 129) and FAO Council (CL 165), a summary of the Hand-in-Hand (HIH) Initiative's implementation progress between November 2020 and January 2021 has been prepared (CL 166/6). This note provides additional detail, following a comprehensive stocktaking exercise conducted in February 2021.

As of 24 March 2021, 36 countries have confirmed their interest to participate in the Initiative: Afghanistan, Angola, Bangladesh, Burkina Faso, Cabo Verde, Cameroon, Chad, Congo, Ecuador, El Salvador, Eritrea, Ethiopia, Gabon, Guatemala, Guinea Bissau, Haiti, Honduras, Kiribati, Lao People's Democratic Republic, Malawi, Mali, Mozambique, Nepal, Niger, Nigeria, Pakistan, Papua New Guinea, Peru, Rwanda, Sao Tome and Principe, Solomon Islands, Syria, Tajikistan, Tuvalu, Yemen and Zimbabwe.

Most countries joined the initiative after the outbreak of the COVID-19 pandemic and follow-on economic shocks. They have demonstrated diverse entry points, objectives and metrics. Twenty-four countries are in the process of defining their programmes with the participating Governments and beginning donor matchmaking. Financing has been identified in 12 countries and is expected to be completed by 30 June 2021.

HIH Implementation: Country Experiences

The HIH Initiative unfolds in three phases: inception, operations, and impact analysis. The inception phase covers the start-up period from the initial agreement with the beneficiary country to the development of the comprehensive Program Investment Plan for the specific areas identified together with the country for HIH initiative. The main challenge in the inception phase, where nearly all country programmes are so far, is to develop and sustain a shared vision between the government and its partners about the nature and objectives of the programme, arriving at a common set of objectives, territorial focus, milestones and roadmap for implementation, and key operation and SDG metrics. Highlights:

Bangladesh, despite having made remarkable SDG progress, still faces major challenges, with 20 percent of the population living below the national poverty line. The Government has committed to moving the farming sector to a more commercial, mechanized and diversified sector. In this context, the Government and its partners have identified key goals for HIH: support further agro-mechanization, agro-processing, post-harvest processing, cold chain and safe value chain strategies; engage private sector associations, international finance partners, national banks and investors; and promote adoption of climate-smart agricultural systems to build resilience.

Ecuador was severely affected by the pandemic, with a devastated economy and an influx of refugees, straining agriculture and food systems. Having joined the Initiative under the criteria of food crisis, the Government quickly took ownership of HIH, prioritizing national investments in order to revitalize the agri-food productive sectors. The Government considers HIH a key support to help implement the National Agricultural Plan 2020-2030 — the main policy instrument focused on the implementation of agricultural policy at the national and territorial levels. Maps of public finance and multilateral development bank activities are being updated, highlighting main investment areas and gaps. HIH has provided opportunities to engage multilateral donors, international financial institutions (IFIs), central and local governments, and private companies. There is technical and operational progress for implementing national FAO programmes in selected territories. The Ministry of Agriculture has developed a HIH proposal for approval by the central government.

El Salvador's HIH has combined the efforts of stakeholders, including IFIs and the central bank, to support the Government's Green Climate Fund (GCF)-backed Upscaling Climate Resilience measures in

the dry corridor agroecosystems of El Salvador (RECLIMA) project and its development framework. Officially known as “Territorial Rural Development Strategy 2019-2020,” the combined programme points to high- and medium-priority areas with agricultural opportunities. The first round of consultations has already taken place, including with the central government, donors, local government and civil society. Maps have been developed that layer economic, social and environmental criteria, HII typologies, and prioritization of municipalities. This is part of a broader effort to support the Government with the implementation of “Agricultural Transformation Plan for Food and Nutritional Security (SAN),” which aims to kickstart post-COVID-19 recovery and transform the country from a net importer of agricultural commodities to self-sufficient producer of food using territorial-based approach.

Ethiopia’s agro-industrial strategy adopted in 2009 is a key to transforming the country’s agricultural sector and boosting the economy. For the next phase, the Government has selected four pilots out of the country’s 17 proposed agro-industrial parks (AIP), and prepared a development framework and investment plans. The aim is to strengthen agricultural supply chains, attract investment in food and agriculture, stimulate small and medium enterprises, and create off-farm employment, especially for women and young people. A special government agency, the Agricultural Transformation Agency (ATA), provides a variety of supports and helps to scale up innovation and agricultural investment; it also ensures that the process of upgrading is inclusive and ensures that measures are in place to monitor and improve benefits for smallholders and the poor. At the request of the Ethiopian Government, FAO evaluated the ATA, found that it was effective in its mission, and made recommendations for further strengthening. Under the HII Initiative, FAO is mobilizing international technical experts to review the investment plans and undertake analyses on poverty eradication, inclusion, and food and nutrition security, so that transformation and inclusion are pursued in tandem in the prioritized territories. HII is working toward enhancing risk management for the poorest through policy guidance and local economic development programmes.

Lao People's Democratic Republic considers the Initiative as a way to mobilize technical, financial and human resources to unlock the agricultural potential and eradicate poverty and malnutrition along the China-Lao railway corridor currently under construction. Activities have been ongoing for more than six months, including territorial-level analysis to identify agri-economic potential in the target territories, assessments of suitable production, value chain analysis (rice, maize, cassava, fruits), donor mapping, the launch of a joint task force with the Government on railway territory development, and informal engagement of partners, including with IFIs, the European Union, Charoen Pokphand (conglomerate), USAID, Asian country ambassadors, Thailand International Cooperation Agency (TICA), and China Railway Company. A concept note for the programme is being prepared. The programme vision has developed to the point of Cabinet decision, and the Government has requested FAO and World Bank to work together to finance the HII Initiative.

Nepal is using the HII framework to bolster the development and implementation of its “Climate-Smart Agriculture Investment Plan (CSAIP)” for building inclusive and resilient agriculture sector. Much progress has already been made, with a CSAIP study being prepared by the Government, the World Bank and FAO. Mapping of agricultural zones, welfare maps and data for defining priority investments are in progress. A subsector analysis (of best practices of investment opportunities and economic modelling in four provinces) also links to a GCF project preparation. Likewise, the benefits of stakeholder consultations and close coordination have spilled over to a food systems assessment initiative funded by the EU. The Government has identified seven investment packages, including staple crops, horticulture, irrigation, agroforestry and aquaculture in different territories.

Small Island Developing States (SIDS) face extraordinary development and resilience challenges due to climate change-driven natural hazards, and the impacts of the pandemic and its global economic shocks. Nonetheless, important progress has been made.

- **Solomon Islands** has used a national agricultural investment plan as an entry point to implement HIH. FAO and IFAD are working together to support the Ministries of Agriculture and Livestock on their agriculture, aquaculture and fisheries sector investment plans for 2021-2030. The draft plan has been well received during stakeholder consultations, including by Permanent Secretaries. FAO has identified strategic technical partners to enhance data availability and analytical methods to better identify risks, mitigation strategies and opportunities. Donor matchmaking for the plan is underway.
- **Kiribati** faces challenges that include paucity of agricultural land and limited capacity for local food production, except fisheries. Most food is imported, having a negative effect on household diets. Reliable recent data are limited, and currently the post of FAO Representative is vacant. Priority areas for HIH are being explored, including conservation, fisheries value chain, resilience and humanitarian work in the atolls.

Household surveys, including information on nutrition, from Solomon Islands and Kiribati are complete. FAO is gathering geospatial data and working with the statistics division to collate information from coastal communities. The University of Southampton has been identified as data partner to help identify climate risks and also implement and extend the analytical framework for HIH.

Syrian Arab Republic has entered its tenth year of war. The country faces serious food insecurity due to sanctions, economic collapse, currency devaluation and inflation. Recognizing that the agriculture sector has become fundamental for employment and for national food availability, the HIH Initiative focuses on restoring local water supply and irrigation. The Government is committed to reviving the agriculture sector, and the HIH framework is being used to help identify some of the main priorities for national investment. These include a focus on promoting sustainable use of natural resources, especially water, in areas of high agro-economic potential.

Tajikistan is the first HIH country in Eastern Europe and Central Asia. FAO has responded to the Ministry of Agriculture's request under an EU-funded project to help prepare the National Investment Plan for Food and Nutrition Security and Sustainable Agriculture Development (NIP) 2021-2030. The main text for NIP, comprising five main areas/pillars and 17 working papers, have been produced. Other progress includes the development of a Geospatial NIP Atlas for multi-criteria decision analysis (MCDA) to support sustainable investments toward achieving the SDGs. Donor mapping and donor matchmaking efforts have resulted in seven concept notes, leading to the design of joint World Bank-IFAD-GCF projects.

Yemen needs to expand, prioritize and fill gaps in the humanitarian-development-peace (HDP) nexus. Specifically, HIH is supporting the development of a comprehensive national policy and investment framework for sustainable agriculture, food and nutrition security, and resilience. To this end, it is contributing to the government's 2030 National Agriculture Sector Strategy and the 2025 National Agriculture Investment Plan. Nine investment-oriented diagnostics to inform policy and investment frameworks were carried out. Efforts to identify HIH priority-area typologies and define focus territories and engage stakeholders for implementation of the plans are ongoing.

Zimbabwe's HIH programme builds on the Government's agri-food systems transformation agenda through an extension of the "AgrInvest" programme. HIH strengthens AgrInvest with the stochastic profitability frontier analysis to identify territorial hotspots to accelerate programme implementation and impact, and with complementary work to reduce food losses and improve sustainable management of water resources, among others. Efforts are underway for inclusive value chain development, supporting the formulation of "Sector Development Plan Agreements" between the Government and the private sector. Instruments to lower risk and guarantee loans for the country's Agriculture Development Fund are also being developed, along with draft investment proposals for key infrastructure – irrigation, markets,

etc. — in the microregions. The Ministry of Agriculture, Land, Water and Rural Resettlement is in the process of aligning some of the strategies of AgrInvest with those of HIH.

Design of Multi-Partner HIH Dashboards

The HIH dashboards are essential to the effective delivery, management, governance and impact of the Initiative. The dashboards provide the following services:

- a) A **simple checklist system** for reporting progress in the inception phase against key programmatic milestones for developing a tailored Hand-in-Hand Program Plan, including both an anchor investment and the diverse contributions of multiple partners.
- b) A **knowledge management system** for all shareable programme work-related products, including donor and partner mappings, welfare maps, baseline georeferenced data for the country programme impact analysis, and stochastic profitability frontier analysis “heat maps”.
- c) Regular **reporting of progress against primary programme operational objectives** and milestones, as well as SDG objectives, all with visualizations providing a guide and touchstone for the Government and partners and with links opening to more detailed programme pages — the main mechanism for ensuring transparency.
- d) A **communications platform** for partners to promote coordination to achieve programme milestones. This module enables information-sharing and coordination among partners in connection with regular progress reviews, supports plan revision when necessary, and provides selective public access, all strengthening national capacities and ownership.
- e) **Reporting of impact** on a rolling basis (traffic light system), with detailed quadrennial reporting against programme metrics prior to Sessions of the FAO Conference in 2023 and 2027. An important innovation of the HIH Initiative, aligned to new UN development system priorities, is to link FAO-supported activities more closely to national SDG-level targets and indicators.
- f) A system for **aggregating and analyzing progress and results** across HIH programme country experiences. This service extracts information from other services and allows programme-wide tracking against overall expected progress and further analysis.

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