



to the **Project Cycle**

QUALITY FOR RESULTS

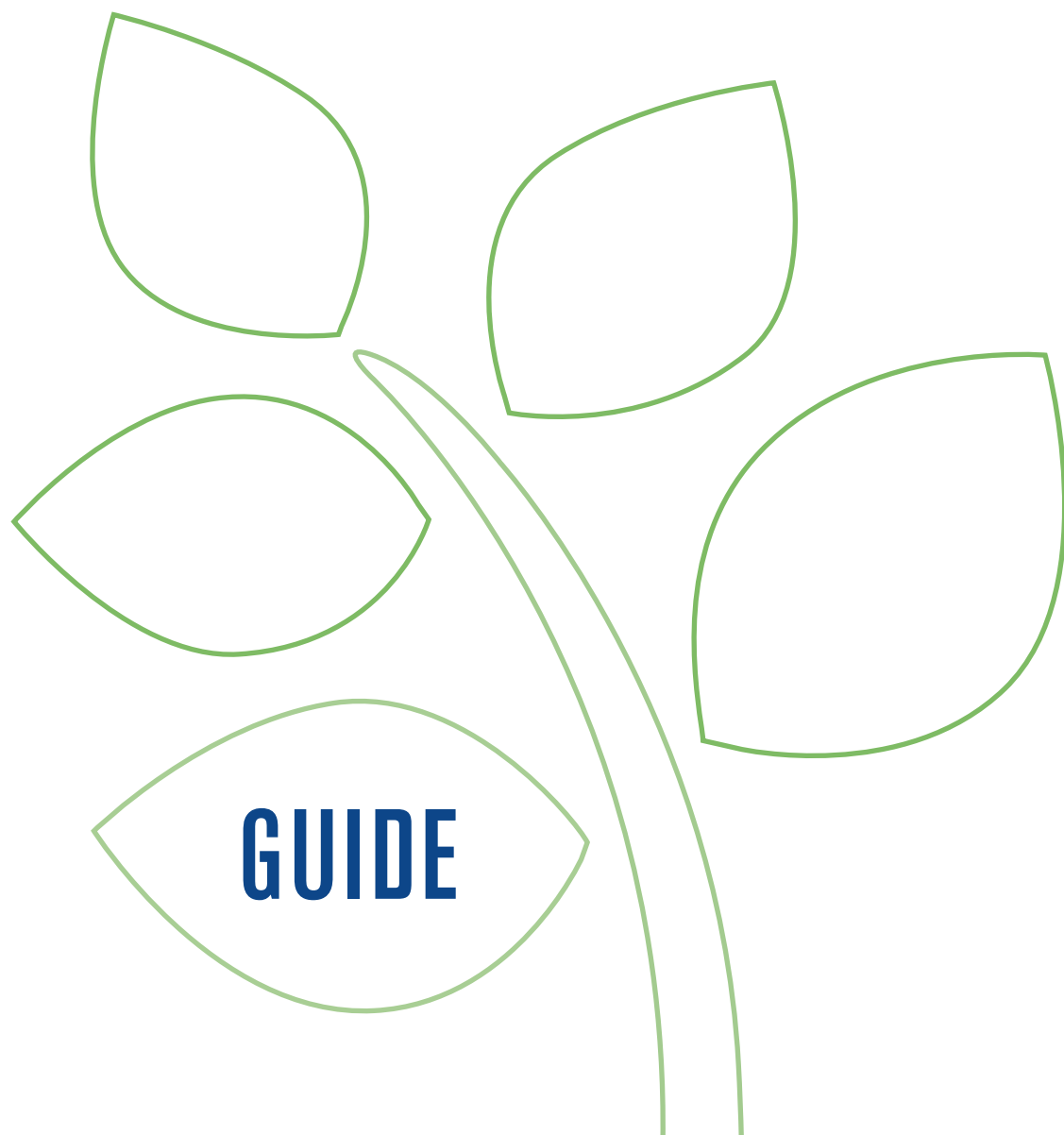


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Blue boxes refer to Technical Cooperation projects, Red boxes refer to Emergency Response projects, Green boxes refer to Joint Programmes, and Grey boxes highlight contents which apply for all of the above.



ACRONYMS

ADG	Assistant Director General
ADG-RR	Assistant Director General and Regional Representative
ADG-TC	Assistant Director General of the Technical Cooperation
AOS	Administrative and Operational Services
APO	Associate Professional Officer
CD	Capacity Development
CN	Concept Note
ComDev	Communication for Development
CPF	Country Programme Framework
CSAP	Procurement Service
CSF	Finance Division
CSO	Civil Society Organization
DAC	Development Assistance Committee
DEX	Direct Execution
DO	Decentralized Office
DRM	Disaster Risk Management
EA	Environmental Analysis
ECOSOC	United Nations Economic and Social Council
EIA	Environmental Impact Assessment
EOD	Entry On Duty date
ERM	Enterprise Risk Management
ES	Economic and Social Department
ESW	Gender, Equity and Rural Employment Division
FAO	Food and Agriculture Organization
FAOR	Country Representatives
FLO	Funding Liaison Officer
FLU	Funding Liaison Unit
FPC	Field Programme Circular
FPMIS	Field Programme Management Information System
GCP	Government Cooperative Programme
GLO/ INT/ RE	Global/ Interregional/ Regional projects
GOE	General Operating Expenses
GPO	Global Public Good
HACT	Harmonized Approach to Cash Transfers to Implementing Partners
HQ	Headquarters
HRBA	Human Rights Based Approach
IASC	Inter-Agency Standing Committee
IDWG	Interdepartmental Working Group
ITR	Interdisciplinary Technical Review
LFA	Logical Framework Approach
LoA	Letter of Agreement
LTO	Lead Technical Officer
MDT	Multidisciplinary Team
MOSS	Minimum Operating Security Standards
MoU	Memorandum of Understanding
MoV	Means of verification

NEX	National Execution
NGO	Non Governmental Organizations
NIM	National Implementation
NR	Natural Resources Department
NTE	Not To Exceed date
OECD	Organisation for Economic Co-operation and Development
OEK	Office of Knowledge Exchange, Research and Extension Division
OR	Organizational Results
OSP	Office of Strategy, Planning and Resources Management
PAC	Project Appraisal Committee
PAO	Project Appraisal Officer
PG	Practical Guidance
PTF	Project Task Force
PRS	Poverty Reduction Strategy
PSC	Project Support Cost
QAR	Quality Assurance Review
RBM	Results-Based Management
RO	Regional Office
RR	Regional Result
SFPO	Senior Field Programme Officer
SRC	Subregional Coordinator
TC	Technical Cooperation
TCDM	Field Programme Coordination and Results-Based Monitoring Service
TCE	Emergency Operations and Rehabilitations Division
TCP	Technical Cooperation Programme
TCSR	Resource Mobilization and Operations Support Service Division
TSS	Technical Support Service
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNJP	United Nations Joint Programme
UTF	Unilateral Trust Fund
WFP	World Food Programme



INTRODUCTION

This Guide to the Project Cycle aims to improve the strategic focus and quality of FAO's projects and programmes. It has been developed to enhance accountability and quality through the application of results-based management principles and must be seen as a central tool to better position FAO in: meeting international standards on development effectiveness, supporting efficient country programming and more generally the decentralization process.

The Guide incorporates the principles and requirements of FAO Reform, the Strategic Evaluation of FAO Country Programming, the UN General Assembly Resolution 62/53 on the Triennial Comprehensive Policy Review, as well as the Paris Declaration and Accra Agenda for Action.

This document represents a *single port of call*¹ regarding project cycle guidance for all FAO staff and partners and foresees more transparent and efficient web-based work streams. It supersedes Field Programme Circulars and Technical Cooperation (TC) procedures² concerning the Project Cycle. In addition to the above major aims, the guidelines should facilitate:

- better alignment of projects to national development goals and FAO's own corporate Strategic Objectives;
- the coordinating role of regional and sub-regional offices in the management of the field programme;
- adherence to UN system wide reforms of operational activities at the country level, including the adoption of new operational modalities under both direct and national execution³;
- the Organization's resource mobilization efforts;
- more effective and transparent operations.

Another defining feature is that the five UN Common Country Programming Principles are mainstreamed into all phases of the project cycle. It is widely agreed that all five are necessary for effective UN-supported country programming that must balance the pursuit of international norms and standards with the achievement of national development priorities. The principles bring value to problem analysis, and they help to identify possible strategies and responses throughout the project cycle. Among the principles, it is important to distinguish between

- Three normative principles:
 - Human Rights Based Approaches (HRBA)/ Right to Food/ Decent Work
 - Gender equality, and
 - Environmental sustainability;
- Two enabling principles:
 - Capacity Development (CD)⁴ and
 - Results-Based Management (RBM)

¹ Excluding for the time being TCP- and Telefood-funded activities.

² FPC 2003/02 Field Programme Reporting Manual; FPC 2003/03 Clearance of Technical Backstopping Reports for Field Projects; FPC 2003/04 Project Cycle; FPC 2004/02 Field Programme Manual; FPC 2004/03 FPMIS Automatically-generated ("trigger") Messages; FPC 2004/04 Instructions Regarding the Disposal of Equipment upon Completion of Field Project Operations (Manual Section 504.4); FCP 2007/02 Standard Project Document Format; FCP 2007/03 Standard Project Agreements; FPC 2007/07 Project Task Force Consultations – Procedures for the Organization of Project Task Force; FCP 2007/09 Procedure for the Operational Clearance of Project Proposals; FCP 2008/01 Procedures and Responsibilities for Handling Field Documents; FCP 2011/01 Evaluation Provisions in Technical Cooperation for Development projects funded by Voluntary Contributions.

³ However, adjustments to the implementation phase are still required for national execution (NEX) and implementation (NIM) of FAO supported projects and programmes. NEX/NIM operational guidelines are being developed under the overall supervision of the IDWG on new operational modalities for the Field Programme, and will be reflected in these guidelines as appropriate.

I. Application of the guide

The present guide applies to Technical Cooperation and Emergency⁵ projects, including UN Joint Programmes, with the exception – for the time being – of TCP⁶- and Telefood-funded projects. However, maximum effort will be made to maintain due synergy and harmonization with TCP's specific requirements. Given their generic results-oriented and good practice nature, the methodology and tools illustrated here could also be applied to other areas of work under FAO's Regular Budget, if deemed appropriate by the Budget Holder and managers concerned.

The revised guidelines for project identification and formulation can be applied in a flexible manner by taking into consideration constraints of time, the human resources available and specific contexts (i.e. Problem Analysis, Stakeholder Analysis, Results Analysis and Strategy Analysis, Risk Assessment, etc). The procedural guidelines related to project task force and project appraisal and approval as well as the use of standard templates are considered mandatory. Boxes of different colours will include specific procedures for each project category: Blue boxes refer to Technical Cooperation for Development projects, Red boxes refer to Emergency Response projects, Green boxes refer to Joint Programmes, and Grey boxes highlight contents which apply for all of the above.

These main guidelines are supported by a **Practical Guidance (PG) manual**⁷ which provides interested users with additional clarifications and methodological support for the management of each project cycle phase.

II. On line support

These Project Cycle guidelines, the accompanying Practical Guidance manual and all other procedural explanations pertaining to the project cycle are currently available on line in the FPMIS⁸.

III. Project Cycle phases

The Project Cycle comprises the following phases:

1. Identification, 2. Formulation, 3. Appraisal and Approval, 4. Implementation and Monitoring, 5. Evaluation, 6. Closure.

If compared to previous terminology, the revised phases clarify the major steps to ensure adequate and effective project development and management arrangements. Each phase is supported (both methodologically and administratively) by specific web-based tools. The latter have been designed to facilitate the generation, dissemination and use of quality data in corporate systems at project, programme and corporate levels.

The following table provides an overview of the enhanced articulation of the project cycle, as well as needed rephrasing of project status labels in FPMIS.

⁴ CD Corporate Strategy <http://www.fao.org/capacitydevelopment/en/>; IDWG on CD with learning modules http://intranet.fao.org/fao_communications/idwgcd/training_learning_modules/

⁵ Emergency response projects are usually characterized by a short implementation period (12 months or less), large procurement components for rapid distribution of agricultural inputs.

⁶ The monitoring and reporting framework presented in Phase 4 applies also to TCPs

⁷ The Practical Guidance Manual is under formulation. References made to this manual throughout the Project Cycle Handbook will be updated and provided with specific hyperlinks as soon as it will be finalized.

⁸ Project Cycle guidelines and the Practical Guidance manual will be soon available on line in a dedicated corporate website.

TABLE 1. Project Cycle Phases and FPMIS status

FPMIS status labels in the old guidance	FPMIS status labels and the new project cycle (harmonized)	Corresponding Project Cycle Phases
1. Pipeline <ul style="list-style-type: none"> Idea Active Pipeline Final Consultation 	1. Pipeline <ul style="list-style-type: none"> Identification Formulation Appraisal and Approval 	1. Pipeline <ul style="list-style-type: none"> 1. Identification 2. Formulation 3. Appraisal & Approval
2. Ongoing <ul style="list-style-type: none"> Operationally Active Activities Completed 	2. Ongoing <ul style="list-style-type: none"> Operationally Active Activities Completed 	2. Ongoing <ul style="list-style-type: none"> 4. Implementation & Monitoring 5. Evaluation
3. Closed <ul style="list-style-type: none"> Operationally Closed Financially Closed 	3. Closed <ul style="list-style-type: none"> Operationally Closed Financially Closed 	3. Closed <ul style="list-style-type: none"> 6. Closure

IV. Project Task Force (PTF)

DEFINITION AND SCOPE

The project task force is a management body established for each of FAO field project/program regardless of its nature (technical cooperation, Global Public Good⁹ or emergency) or geographic coverage (country, sub-regional, regional, interregional or global). The PTF consists of representatives of FAO units which areas of specialization are covered by the project and which have an active role to play in the project development and implementation. Members of the PTF are designated by their respective units from among staff capacitated and experienced so as to respond to the project needs. The PTF members constitute the right skill mix for the project; they pool their experience and expertise to work as a team mandated with ensuring that the project is formulated and implemented in a coherent and consistent manner and complies with the Organization's goals and policies as well as with the provision of adequate levels of technical, operational and administrative support throughout the project cycle.

CONSTITUTION OF THE PTF

The PTF is established by the PTF Chairperson (prospective budget holder) at the beginning of the project identification phase to ensure the involvement of relevant units from the start and the preparation of a concept note that reflects the project scope and objectives. The basic principle for the appointment of the PTF members is based on geographic scope and related subsidiarity principle¹⁰. **For projects implemented following National Execution Modality (NEX)**, the PTF will be constituted in collaboration with the relevant national authority and will include designated national officers/experts.

⁹ A global public good (GPG) is a good that has the three following properties : It is non-rivalrous. Consumption of this good by anyone does not reduce the quantity available to other agents; It is non-excludable. It is impossible to prevent anyone from consuming that good; It is available worldwide.

¹⁰ Responsibility is assigned as close as possible to the project, where expertise is available.

COMPOSITION OF THE PTF

The composition of the PTF is described in the table below.

TABLE 2. PTF Composition

Type of Project	Chairperson	Members
National	FAO Representative	Project formulator, LTO, Funding Liaison Officer, other relevant technical officers.
Subregional	Subregional Representative/Coordinator	
Regional	Regional Representative	
Interregional/Global	Head of technical division	

- **The PTF chairperson** is usually the **future Budget Holder**. Formal designation of the budget holder is done concurrently with the approval of the project by the relevant Assistant Director General (ADG) according to the designation of budget holder rules.
- **The project formulator** is in charge of preparing the project concept note, project document – including the original budget – and all other relevant documentation under the supervision of the PTF chairperson. In case the documents are prepared by an external consultant, the formulator could be the FAO technical officer who is supervising the consultant's work. He/she is also responsible to submit the project document to the Interdisciplinary Technical Review (ITR) before project formal appraisal.
- **The Lead Technical Officer (LTO)** ensures the application of FAO technical standards and policies during the project formulation and implementation. The LTO is designated by the responsible authority from DOs and/or the headquarters (HQ) based on geographical proximity to the project (FAOR, SRC, ADG/RR and head of technical divisions in HQ).

 - A HQ based LTO is administratively accountable to his Division Director and must adhere to the technical policies and standards of FAO (defined by the Division).
 - In a DO, the LTO is administratively accountable to the Head of the DO but maintains a functional relationship with the HQ's technical division and must apply its corporate technical policies and standards.
- **The Funding Liaison Officer (FLO)** maintains corporate relations with resource partners throughout the project cycle: during identification and formulation phases he/she provides support for resource mobilization and ensures that the Project Document and Funding Agreement meet the requirements of resource partners. The FLO prepares the Funding Agreement in collaboration with the Finance and Legal departments and submits it for signature to the resource partner. He/she also prepares the Project Agreement based on the FAO standard and submits them for signature to the recipient government. During Implementation, she/he submits progress reports to resource partners and supports budget holders as required in all areas of operations, including budget revisions.

ROLES AND RESPONSIBILITIES OF THE PTF MEMBERS

The PTF chairperson should ensure that: i) work schedules relating to project formulation and implementation are adhered to; ii) the project is linked correctly to FAO's Strategic Framework¹¹; iii) key documents are made available to all members electronically through FPMIS; iv) all members of the PTF are duly informed of project status and are aware of their obligations in relation to the project; v) appropriate consultations are initiated in time to resolve any issues that may arise in relation to the project; and vi) membership of the PTF is continuously updated.

The members of the PTF are responsible for: i) providing technical, operational or administrative support to develop a project proposal from identification of an idea, to developing a concept note and drafting the project document; ii) advising and support the chairperson on any issues that they consider relevant for the smooth process of formulation and implementation of the project in its technical as well as general aspects; iii) ensuring, in the event of their temporary absence, that names of alternates be communicated to the chairperson to ensure continuous flow of information and support to the project; and iv) informing the chairperson in case of their changing status in relation to the project to enable their replacement.

The PTF provides the full set of expertise needed for the development and support of the project from project identification to project closure, as is further specified in each phase.

¹¹ For projects operated by country offices, it is necessary to link projects in FPMIS at OR level. For all other projects, linkage at product/service level is necessary

PHASE 1 - IDENTIFICATION

The mainstay of the Project Identification phase is the development of a **Concept Note (CN)** to ensure a strategic fit between a project idea and the most relevant programmatic framework. The CN can also be a helpful vehicle for resource mobilization.

The rationale is to respond to a specific problem or opportunity, leading to a suitable project concept note. This phase also includes the endorsement of the latter up to the initial formalization of relations with resource partners, as in the following steps:

1. IDENTIFICATION OF PROBLEM (OR OPPORTUNITY)
2. ESTABLISHMENT OF A PROJECT TASK FORCE
3. PREPARATION OF CONCEPT NOTE
4. APPRAISAL AND FORMALIZATION OF RELATIONS WITH RESOURCE PARTNERS
5. ENDORSEMENT OF CONCEPT NOTE

Identification of a problem (and possible solutions)

In FAO's context, project ideas are generated:

- to address a specific problem/need of Members and/or exploit opportunities to advance development goals and international cooperation in the food and agriculture sector at national, sub-regional, regional or global levels; and
- to support the achievement of agreed outcomes, as defined in Country Programming Frameworks and/or Organizational Results.

Project ideas can originate from a range of institutional sources, e.g. authorities in national governments themselves (*via* requests of varying degrees of formality); regional economic integration organizations and partner organizations including resource partners; FAO staff in various locations; or a mix of these.

United Nations Joint Programmes (UNJPs), based on the UNDG definition, form part of a common work plan and budget that is implemented by government and/or other partners with the support of two or more UN agencies. Countries may use many different approaches to identify areas that could benefit from a collaborative approach between UN agencies in the form of joint programmes. The most common approach is within the framework of the UNDAF and its Results Matrix. By following the Matrix, UN system agencies identify where they should work together and ensure that any joint programme is firmly rooted in national and country programme priorities. FAO contributes to the UNDAF process through the CPF.

Practitioners formulating FAO's contribution to a UNJP need to be aware of the requirements and related processes which are put in place during the identification, formulation and appraisal of UNJPs, both at country level (in the UNCT) and in FAO itself (as member of the UNCT and participating agency in a UNJP). A specific timeline showing how the FAO steps contribute to the UNCT steps is available [here](#). The rationale with which the timeline has been formulated is based on the assumption that FAO components within UNJPs should be technically sound as in any other FAO project.

Projects that are identified and formulated in an **emergency context** will be associated typically with one of three levels of required response, which have been defined by the Inter-Agency Standing Committee (IASC). Generally, each level is associated with specific administrative, managerial, communication and resource mobilization procedures:

Level one refers to a response that can be managed and directed at the country level, level two at the regional level and level three requires a global-level and/or organization-wide response. In a system-wide mobilization each individual organization responds to the full extent of its global corporate capability through pre-determined mechanisms, processes and procedures. Normally, an executive/Senior Management declaration is required to formally activate these mechanisms on an extraordinary basis and for a limited time.

To expedite FAO's response in inter-agency and global for a, a set of Standing Operating Procedures (SOPs) have been developed. These are not generally project specific but define the processes that must be followed to identify and formulate projects as efficiently and as effectively as possible, while adhering to the corporate requirements and standards contained in this Guide.

Establishment of the Project Task Force

The PTF is established by the project chairperson at the beginning of the identification phase of the project cycle. This is necessary to ensure the smooth preparation of the concept note and project formulation. Identification of the PTF chairperson is based on geographic proximity and/or type of project as specified in the Introduction (Composition of the PTF).

Preparation of the Concept Note

The concept note helps to structure preliminary analysis of the relevance, feasibility and sustainability of the future project and to facilitate broader consideration within FAO. At this stage high level preliminary assessments of aspects that could affect the sustainability of results such as capacity development, gender analysis and socio-cultural considerations¹² should be conducted. The Logical Framework Approach (LFA) should be used to support this analysis. Guidance on how to undertake the analysis for both Technical Cooperation (including emergency preparedness and transition to development projects) and Emergency Response projects can be found in the Practical Guidance manual. For the environmental implications of the project please follow the FAO's Environmental Impact Assessment (EIA) Guidelines and the step-by-step guide.

Field programme practitioners are encouraged to apply this type of analysis as early as possible, while taking into consideration constraints of time, the human resources available and specific contexts. Missing elements would in any event need to be

addressed during the subsequent project formulation phase. It is, however, clear that the more quality upstream analysis goes into drafting of the concept note, the easier it will be to elaborate fully-fledged proposals later on.

In order to develop a concept note, a standard template is available and needs to be completed in FPMIS through the relevant country page. It can be filled offline by downloading the template and uploading it back into the system once finalized¹³.

In practical terms, the preparation and endorsement of the concept note is a mandatory step for:

- creating a pipeline entry in FPMIS;
- ensuring that information gathered through the CN is later on used in project documentation, avoiding double data entry.

The posting of a project concept note into the appropriate FPMIS module allows for consistency of approach in pipeline management within the Organization and sharing of key information with other FAO staff who may be directly involved. It can also be drawn upon by resource partners or by external and internal auditors and evaluators when seeking to review upstream project preparation activities as part of their mandate to assist with quality business processes and identifying lessons learned.

The concept note is prepared by the project formulator with the support of the other members of the Project Task Force (PTF), in particular the Lead Technical Officer for technical content and the PTF chairperson for overall guidance and quality assurance, and in consultation with the government, civil society and other relevant stakeholders.

¹² Gender-sensitive stakeholders analysis, stakeholders/ strategies analysis taking into account vulnerable people including people living with HIV/AIDS, environmental impact assessment

¹³ For technical instructions on how to create a new concept note please [click here](#).

The completion of an FAO project concept note in FPMIS is mandatory for all projects. For those projects that must be identified using a Resource Partner Concept Note format (e.g. GEF, OCHA/CHF), an extended concept note will be made available in FPMIS in consultation with the relevant business unit.

For UN Joint Programmes: Once two or more UN agencies have decided to contribute to a United Nations Development Assistance Framework (UNDAF) output by implementing a joint programme, an initial UNJP proposal (or concept note) is drafted at the country level. At this point, the FAOR should establish FAO's own internal PTF, which will be tasked to prepare a concept note, according to the FAO standard format and in relation to FAO's specific component. The UNJP overall proposal must be attached. The concept note helps to structure preliminary analysis of the relevance, feasibility and sustainability of the identified FAO component within the UNJP.

Appraisal of the Concept Note

Appraisal of the concept note is a peer review, in order to identify possible areas of collaboration and synergies within the organization and to ensure that the proposal is worth pursuing. This process varies according to the type of project proposal as follows:

- Projects to be funded through flash appeals or GEF will not be subjected to FAO concept note appraisal, since these project proposals must follow the external quality assurance processes concerned.
- For all other projects, including UNJPs, the following steps apply:
 - The CN should be sent by the project formulator for peer review to the units that have a potential role to play in the subject matter(s) concerned, including HQ departments and DOs in order to get feedback and eventual additional inputs from across the organization. It is recommended that the CN should always be reviewed by the Office of Knowledge Exchange, Research and Extension (OEK) and the Gender, Equity and

Rural Employment (ESW) division for getting early advice on integration of the UN country programming principles. It should also be assessed by a Natural Resources officer, at HQ or at decentralized level, who will validate the Environmental Category it falls under, based on the procedures detailed in the EIA Guidelines.

- **For regional, sub-regional and national projects**, the review of the concept note will be undertaken by the Multidisciplinary Team (MDT). In order to ensure adequate skills mix, the PTF chairperson will involve other experts in the technical disciplines (at HQ or in DOs) which are not represented within the MDT.
- **For global and interregional projects**, the PTF chairperson will submit the CN to relevant divisions at HQs as well as staff in DOs concerned by the substance of the project.

The review does not require formal meetings and can be carried out electronically. It should normally be conducted within five working days using a specific checklist¹⁴ (see the template for peer review of CN).

- The appropriate funding liaison officer then checks that good opportunities for resource mobilization in support of the project exist and will advise accordingly.

If the concept note meets standard quality criteria but resources for further development of the project are not identified yet, the FLU will continue to explore possibilities for financing and inform the PTF in due course on the requirements of potential resource partners.

After the above mentioned steps have been completed, the project formulator finalizes the concept note and loads it into FPMIS. FPMIS carries out an automatic screening to ensure that the form has been adequately filled. The PTF chairperson is then able to endorse it and start the preparation of the Project Document (PD).

For UN Joint Programmes: The FAO concept note should provide the basis for FAO contribution to the drafting of the UNJP document. The revised standard format for the UNJP document has been approved by the UNDG in 2008 and is common for all UNCTs.

¹⁴ The checklist will be available soon in FPMIS

Endorsement of the Concept Note

It is the responsibility of the PTF Chairperson, to endorse the concept note electronically in FPMIS. This will automatically generate a pipeline record in “Formulation”. All members of the PTF, as they appear in FPMIS, will be notified of this via email.

If the concept note has been formulated in response to an official government request, then the PTF chairperson should inform the government(s) that:

- FAO has developed and appraised positively the concept note;
- FAO will pursue elaboration of a full-fledged project document based on the concept note and seek to confirm agreement from resource partners.

For projects dealing with the development and implementation of international norms and standards and/or governance of Global Public Goods, notification of endorsement of the project concept note must be addressed to counterpart(s) as necessary. Follow-up should then be arranged by the Assistant Director General of the Technical Cooperation (ADG/TC), in

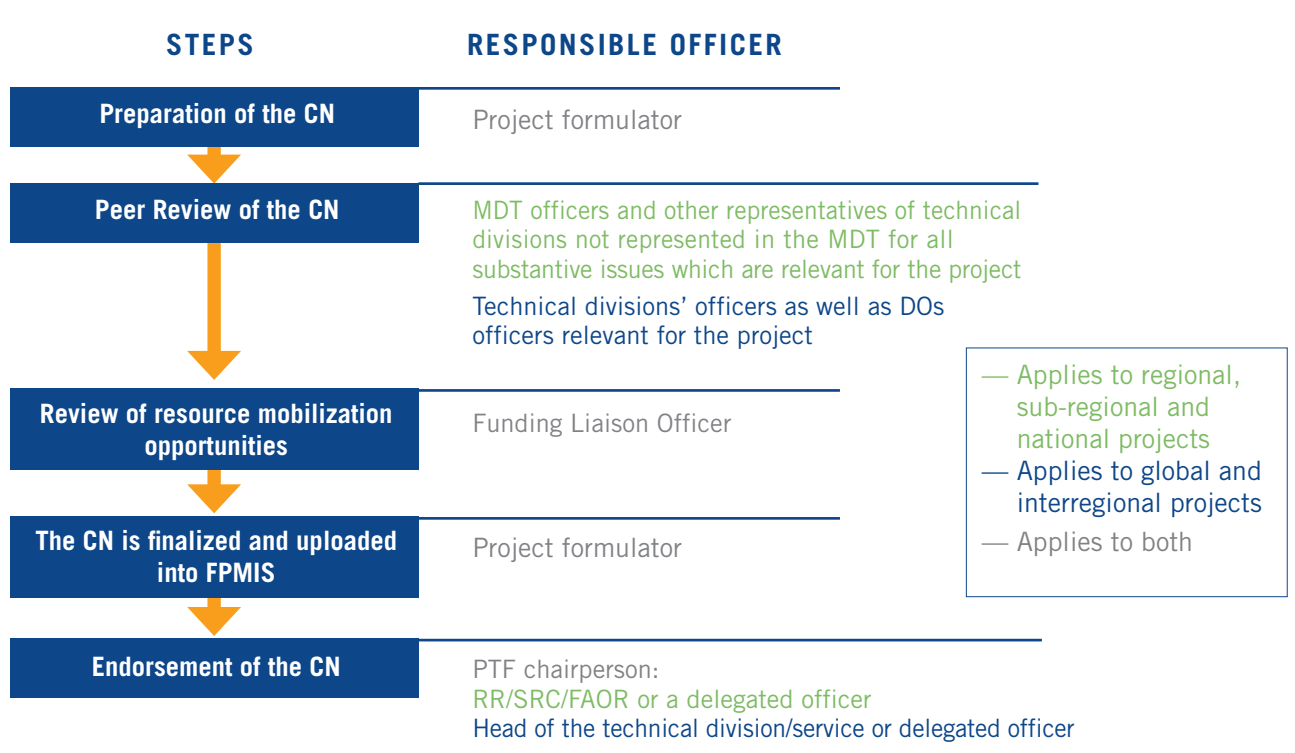
consultation with the ADGs of the relevant technical departments, who may delegate responsibilities further as required.

If an already elaborated project proposal is submitted to FAO from a resource partner or potential recipient government, the PTF chairperson is responsible for:

- conducting a preliminary in-house assessment of the relevance, feasibility and sustainability of the project against the standards defined in the FAO Appraisal Checklist;
- extracting from the project document the elements required to enter the concept note in FPMIS;
- entering and endorsing the project concept note in FPMIS, triggering its immediate change of status from ‘Identification’ to ‘Formulation’.¹⁵

Should issues or questions arise within FAO as to the appropriate operating unit of the project under development, it is the role of the ADG/TC and ADG/RR to arbitrate depending on the nature of the proposal.

Figure 1. Concept Note Work Flow



¹⁵ Even in the case of a fully –fledged proposal received from other sources, the concept note must be prepared for two main reasons: i. for oversight and accountability purposes, to ensure the same degree of rigour in assessing the proposal as that put in project concept notes relating to ideas originating within FAO; ii) to enable orderly entry into the corporate pipeline module and wider systems (FPMIS, Oracle, Data Ware House) and ensure adequate follow-up by all units concerned.

CONCEPT NOTE TEMPLATE (Recommended maximum length: 5 pages)

منظمة
الأغذية والزراعة
للأمم المتحدة

联合国
粮食及
农业组织

Food and Agriculture
Organization of the
United Nations



Organisation des
Nations Unies pour
l'alimentation et
l'agriculture

Продовольственная и
сельскохозяйственная
организация
Объединенных Наций

Organización de las
Naciones Unidas para la
Alimentación y la
Agricultura

Project / Programme Title:

Country(ies)/Region(s) of implementation or indicate Global		
Preliminary Environmental Impact Assessment Category	A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/>	
Estimated Budget (one of the two is mandatory)	or range between _____ and _____	
Possible start date	Year Month	Estimated Duration (months)

1. BACKGROUND

1.1 Contribution to country-level programming frameworks (national, UN, and/or FAO)

a) Please identify an outcome in at least one of the programming frameworks listed below to which the proposed action will contribute (at least one of the three is mandatory).

National Development Outcome(s)	
UNDAF Outcome	
Country Programming Framework (CPF) Outcome	

b) Explain how the proposed action will contribute to the results listed above.

1.2 Contribution to FAO's Strategic Framework

a) Please identify at least one corporate result to which the proposed action will contribute.

Organizational Result	
Organizational Result	
Organizational Result	
Regional Result (if relevant)	
Regional Result (if relevant)	
Regional Result (if relevant)	

b) Explain how the proposed action will contribute to the results listed above.

1.3. Comparative advantage

Describe in what ways FAO is well placed to undertake this action. Refer to the Organization's core functions and the work carried out by other actors in the country(ies), sub-region, region(s) or globally.

2. SUMMARY OF PROPOSED ACTION

2.1 Problem to be addressed

Describe problem(s) identified during the preliminary and participatory problem analysis which the proposed action aims to resolve. Include any reference to relevant evaluation recommendations.

2.2 Summary of the Proposed Strategy

Briefly illustrate how the problem(s) described above will be addressed.

2.3 Expected results

Describe the results, identified during preliminary analysis, which the proposed action will achieve.

a) Expected outcome

b) Expected outputs

2.4 Participants and other stakeholders

a) Stakeholders benefiting from proposed action

Describe which individuals/groups/organizations which stand to benefit the most from the implementation of the action, ensuring that this description is disaggregated according to gender criteria.

b) Stakeholders negatively affected by proposed action

Describe which individuals/groups/organizations may be negatively affected by the action.

2.5 Potential risks

Indicate the main potential risks which could hinder the achievement of the expected results, and possible mitigating action.

2.6 Sustainability of the proposal

Briefly describe how sustainability of results after completion will be ensured and specify the institutional partners that will contribute to this. Consider key sustainability factors such as: Capacity Development, Gender Equality, Environmental Sustainability, Human Rights-Based Approaches (including Right to Food, Decent Work), financial/economic sustainability and technological sustainability.

2.7 Synergies

a) Synergies with FAO projects/programmes

If relevant, explain how the proposed action would complement, benefit or build on other existing related projects/programmes led by FAO, indicating the projects'/programmes' project symbol

b) Synergies with other actors' initiative

If relevant, explain how the proposed action would complement, benefit or build on existing related initiatives led by other actors.

3. IMPLEMENTATION ARRANGEMENTS

3.1 Potential Implementation Modality¹⁶

National Execution (NEX)

National Execution with FAO implementation of certain Project Components (NEX with DIM)

Direct Execution (DEX)

Direct Execution with Government implementation of certain Project Components (DEX with NIM)

3.2 Partner(s)

List the institutions and organizations with which FAO is likely to collaborate in carrying out the proposed action and their likely role.

Partner	Partner's role

¹⁶ See table 3 in page 21

3.3 Prospective Resource Partner(s)/Funding Source(s)

If potential resource partners have been identified, please indicate them below.

Funding Source	Funding Agreement	Resource Partner/ Funding Mechanism	Indicative Amount (\$)

3.4 Project Task Force

Role	Unit	Officer
PTF Chairperson	select one	select one
Project Formulator	select one	select one
Lead Technical Officer	select one	select one
Funding Liaison Officer	select one	select one

TEMPLATE FOR PEER REVIEW OF CONCEPT NOTE

Date of review:

Criteria	Comments and recommendations
Alignment and Strategic Fit	
Is the project alignment to the expected outcomes of the Country Programming Framework (CPF), UNDAF and Regional and Sub-Regional strategic documents sufficiently detailed?	
Are synergies demonstrated between the proposed project and other FAO activities/existing national development projects/ programmes?	
Is the project's contribution to a specific OR adequate?	
Are the expected results clearly formulated in response to the problems to be solved?	
Comparative advantages	
Are FAO's strengths/comparative advantages adequately considered?	
Can further areas of synergy within FAO (within and across strategy teams) be found to improve the quality of the subsequent project design?	
Are there specific suggestions to facilitate further project formulation and design such as good practices, technical approaches, communication activities, FAO expertise, etc.?	
Human Rights Based Approach	
To what extent does the project contribute to achieving human rights, especially the right to adequate food, in accordance with international standards and based on the Right to Food Guidelines adopted by FAO in 2004?	
Has the stakeholder analysis taken into account the most vulnerable people including people living with HIV/AIDS?	
Have the employment effects (positive or negative) been assessed as well as the employment-related opportunities, risks and constraints (e.g. availability of labour supply)?	
Gender Equality	
Has a gender-sensitive stakeholder analysis been carried out, addressing relative roles of men and women, indigenous people, institutional dimensions, etc.?	

Capacity Development	
Are the three dimensions of capacity development (i.e. policy enabling environment, organizations and individuals) adequately addressed? ¹⁷	
Environmental and Social Sustainability	
Has the Initial Environmental Review (IER) been performed? Does the IER adequately explain the Environmental category of the project?	
Have adequate measures been taken in Category A or B projects in order to gather additional information for environmental and social analysis or impact assessment respectively?	
Will the technology to be introduced/used by the project be appropriate and compatible with the prevailing socio-economic and cultural context?	
Other comments	

Name and Unit of reviewers

¹⁷ <http://www.fao.org/capacitydevelopment/en/>

PHASE 2 – PROJECT FORMULATION

During the Project Formulation phase, all the necessary inputs are defined to ensure a complete operational, administrative and legal framework for project implementation. Based on the concept note, a fully fledged **project document** is developed and is submitted to a resource partner for support.

This phase includes the following steps:

1. REVIEW AND CONFIRMATION OF FULL PROJECT TASK FORCE
2. IDENTIFICATION OF PROJECT IMPLEMENTATION MODALITY
3. STANDARD PROJECT DOCUMENTATION

Project Document – Project Agreement – Funding agreement

When the Project Concept Note has been endorsed, the Project Task Force (PTF) is responsible for the preparation of the full project document and agreement(s) under the coordination of the PTF chairperson.

Modalities for Project Execution and Implementation

At this stage, it is necessary to establish **who** (FAO or Government) will **execute** the project. Project execution entails overall ownership and technical and fiduciary accountability for the achievement of agreed results. Until now, the standard modality for carrying out FAO's technical cooperation activities worldwide is Direct Execution (DEX) by FAO. However, within the context of UN reforms¹⁸ FAO is committed to moving towards national execution by the Government to the extent possible.

It is also necessary to establish **who** (FAO or Government or NGO/CSO) will **implement** the various components of the project and assume technical and fiduciary accountability for the achievement of agreed results regarding a specific project component.

The table below shows how different combinations of implementation modalities are possible under both execution modalities (DEX and NEX). Before establishing whether a project will be developed under a NEX/NIM arrangement, it must be ascertained that the selected Government entity has adequate capacity and is committed to carrying out the project, as determined by a previous "implementing partner assessment". For further guidance see the Practical Guidance manual.

¹⁸ General Assembly Resolutions 59/250 (2004) and 62/208 (2007) – endorsed by the FAO Conference Resolutions 13/2005 and 2/2007

Table 3. Project Modalities¹⁹

EXECUTION	IMPLEMENTATION ²⁰	ACCOUNTABILITY/PROCEDURES
DEX: FAO is technically and fiduciary accountable for the achievement of all expected project results.	FAO	<ul style="list-style-type: none"> FAO purchases goods and services following its own corporate policies and procedures.
	GOVERNMENT (referred to as <i>NIM</i> -National Implementation)	<ul style="list-style-type: none"> Government is substantively and fiduciary accountable to FAO for the achievement of results in project components assigned for its implementation. Government purchases goods and services following its own (FAO acceptable) rules and procedures. Letter of Agreement (following MS 507) between FAO and Government, FAO NEX/NIM Guides and HACT²¹ may apply.
	NGO/CSO	<ul style="list-style-type: none"> NGO/CSO is substantively and fiduciary accountable to FAO for the achievement of results in project components assigned for its implementation. NGO/CSO purchases goods and services following internationally acceptable rules and procedures. Letter of Agreement between FAO and NGO/CSO, FAO NEX/NIM Guides and HACT may apply.
NEX: Government is technically and fiduciary accountable for all expected project results.	FAO (referred to as <i>DIM</i> -Direct FAO Implementation)	<ul style="list-style-type: none"> FAO is technically and fiduciary accountable to the Government for the achievement of results in project components assigned for its implementation. FAO purchases goods and services following its own corporate policies and procedures. FAO NEX Guides and HACT apply
	GOVERNMENT	<ul style="list-style-type: none"> FAO provides substantive technical advice to the Government during the whole project cycle, from formulation to evaluation. Government purchases goods and services following its own (FAO acceptable) rules and procedures. FAO NEX Guides and HACT apply
	NGO/CSO	<ul style="list-style-type: none"> NGO/CSO is substantively and fiduciary accountable to the Government for the achievement of results of project components assigned for its implementation. NGO/CSO purchases goods and services following internationally acceptable rules and procedures. FAO NEX Guides and HACT apply

Formulation of project documentation

The following documents serve not only as the basis for planning, implementation and monitoring during the project lifetime, but also permit to take into account key fiduciary, legal and accountability aspects inherent to the organization's work:

- THE PROJECT DOCUMENT** draws further on the application of the Logical Framework Approach expanding on the description of the context, the problem(s) to be solved, inter-stakeholder dynamics and FAO's comparative advantage in its interventions. It is normally produced in two progressive and mutually supportive stages:

¹⁹ Terminology based on recommended harmonized terminology in the JIU report/2008/04 on National Execution of Technical Cooperation Projects

²⁰ While the Executing Agency is a sole entity, there may be many Implementing Agencies in a given project, i.e. each one implementing different project components.

²¹ Specific guidelines on the Harmonized Approach to Cash Transfers to Implementing Partners (HACT) are available in the Guidance Note on HACT.

- **Analysis**
- **Planning (i.e. the translation of analytical findings into the necessary building blocks of the project).**

Project formulators should adhere to the generic template for the project document to be used in conjunction with various supportive tools. However, due flexibility and discernment should be exercised depending on the relative degree of complexity of project objectives and planned activities.

- **THE PROJECT AGREEMENT** (between FAO and the recipient government) describes the respective obligations and responsibilities of the recipient government and the Organization, during implementation of the specific project. In the case of Unilateral Trust Fund projects, the Project Agreement serves also the purpose of a Funding Agreement. A Project Agreement template for

Government Cooperative Programme (GCP) and Unilateral Trust Fund (UTF) projects is available at the end of this phase.

- **THE FUNDING AGREEMENT** (between FAO and the resource partner) is project specific and negotiated with resource partners by the responsible FLU, i.e. either the Resource Mobilization and Operations Support Service (TCSR) or the Emergency Operations and Rehabilitation Division (TCE). In cases where a General or Cooperation Agreement²² exists, the Funding Agreement may take the form of a simple exchange of letters between FAO and the partner. TCSR is responsible for FAO's liaison with resource partner governments or financing institutions and should be consulted regarding the applicable formats.

For **United Nations Joint Programmes (UNJP)**, a UNDG standard format enables UN organizations and partners to implement harmonized, results-focused joint programmes with a minimum of documentation. The ensuing document includes the overall UNJP results framework, workplan and budget, its relevance and significance, its contribution to national priorities and international commitments, the results expected to be achieved, intended participants, resource partners and implementing partners. While the UNJP documents vary in size and depth, they normally do not contain enough information to guide the implementation of the FAO component(s) within the JP. For this reason, based on the UNJP document, the PTF should develop a succinct description of the FAO component(s) including the applicable FAO-specific results framework, related budget and technical/operational/institutional support arrangements.

It is not necessary to formulate a distinct FAO stand alone full project document for the FAO component of a Joint programme. However, a **brief 'FAO Component Description'** covering specific FAO responsibilities within the UNJP must be prepared.

A UNJP FAO component standard template includes the following information:

1. Basic information on the project including proposed environmental assessment category
2. Implementation and management arrangements for FAO
3. Oversight and monitoring arrangements.
4. The logical framework relating to the components for FAO Implementation (to be extracted from the JP document if detailed enough to support operations, otherwise, to be formulated in full)
5. Related FAO workplan
6. Related FAO budget

In addition, sections 4, 5 and 6 need to be uploaded into FPMIS.

²² This is signed by FAO and the resource partner and contains the key concepts and conditions governing collaboration. Individual funding or resource partner agreements are guided by these general agreements which may indicate specific thematic preferences and geographic priorities for resource partner's support and describe cooperation as well as funding modalities (e.g. projects negotiated and funded on a case-by-case basis, or as a programme with annual allocations, frequency of official meetings, reporting arrangements, use of special accounts such as General Income Account, GINC, interest account, etc.). General or Cooperation Agreements currently in effect, as well as other relevant guidelines applicable for specific resource partners, are posted in the FPMIS for consultation by project formulators.

PROJECT DOCUMENT TEMPLATE²³

PROJECT DOCUMENT STRUCTURE

*The project document should not exceed 25 pages including annexes.
Additional documents could be included as numbered annexes)*

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Risk Matrix²⁴

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All Appendices – with the exception of the procurement plan – must be formulated in FPMIS according to the related guidelines detailed in the FPMIS instructions manual and then exported from FPMIS to the project document. Additional annexes may be required to provide technical specifications and/or support project rationale or subsequent implementation. Project formulators should use their best judgement for this.

²³ Applicable to both Technical Cooperation for Development projects and Emergency Response projects; does not apply to TCP and Telefood projects, or to Associate Professional Officer (APO) posts.

²⁴ Risks Matrix will be available soon online in FPMIS.

GUIDANCE ON CONTENTS

منظمة
الأغذية والزراعة
للأمم المتحدة

联合国
粮食及
农业组织

Food and Agriculture
Organization of the
United Nations



Organisation des
Nations Unies pour
l'alimentation et
l'agriculture

Продовольственная и
сельскохозяйственная
организация
Объединенных Наций

Organización de las
Naciones Unidas para la
Alimentación y la
Agricultura

Cover page

PROJECT TITLE:		PROJECT SYMBOL:	
Recipient Country/ies:		Resource Partner:	
Government / other counterpart(s):			
Expected EOD (Starting Date)			
Expected NTE (End Date)			
Contribution to FAO's Strategic Framework: (Indicate as appropriate) ²⁵		a. Strategic Objective/Organizational Result b. Regional Result/ Priority Area c. Country Programming Framework Outcome	
Environmental Impact Assessment Category:		A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/>	
(Please consult FAO's EIA Guidelines)			
FAO Budget (or contribution):		Total Budget:	
<h4>EXECUTIVE SUMMARY</h4> <p>Provide essential information about the project in a straightforward and concise narrative style, including the context, rationale, management structure and expected outcome(s). Whenever possible, partnership arrangements and contributions to a specific national programme should be highlighted. The executive summary should be about half page in length.</p>			

²⁵ For projects operated by country offices, it is necessary to link projects in FPMIS at OR level. For all other projects, linkage at product/service level is necessary

SECTION 1 – RELEVANCE

1.1 GENERAL CONTEXT

This opening section is to present key contextual elements and the problem(s) that the project will be addressing and a brief overview of the physical, social, political, programmatic and economic context within which the project will operate. It should draw on the most recently available data and lessons learned.

An underlying theme should be “*national ownership*” of the project results and implementation approaches. By ensuring national ownership of a project and alignment with national priorities, the likelihood of sustainable results is increased.

1.1.1 Rationale

This is based on various analyses (problem, stakeholders, results and strategies) previously carried out according to the LFA and in collaboration with

the government, participants, stakeholders, other UN agencies and resource partners when relevant and required. In particular:

- a. Clearly describe the problem(s) that the proposed project will address, including history and causes as well as capacity (or lack thereof) issues. The problem analysis should be done ensuring stakeholders’ participation and taking into account specific constraints related to gender equality, capacity, rural employment dimensions, Right to Food and environment and social sustainability.
- b. Explain why the government(s) requires external support to address the problems/issues; why it is needed in the specific location(s) and timeframe; and what the consequences would be in the absence of the project.

In an **emergency response context**, the government declares a state of emergency and might request international assistance. In some exceptional cases, a government’s formal request may not have been made and FAO may be planning to intervene with partners under the International Humanitarian Principles. These need to be described as relevant. It should be noted that all needs/situation/problem assessments need to take into account underlying livelihoods and forms of access to food disaggregated by sex and age. In emergency response contexts, this type of analysis is generally conducted jointly by UN System agencies; and only in exceptional cases it is carried out by FAO alone. Further guidance on specific aspects of problem and needs assessment is provided in the ‘Practical Guidance’ manual.

1.1.2 FAO’s Comparative Advantage

Describe how FAO’s comparative advantages²⁶ make the Organization best placed, among others to execute and / or implement the project and deliver quality and timely results. In demonstrating the relevance of the comparative advantages for the success of the project, consider FAO’s length and breadth of experience in the country/ies and / or global forums concerned and the interplay of this knowledge with the unique technical expertise FAO offers.

1.1.3 Links to National Development Goals and FAO’s Strategic Objectives

Describe related government goals, as defined in national planning documents, United Nations Development Assistance Framework (UNDAF), Poverty Reduction Strategy (PRS) or national investment plans. Articulate also how the project will relate to FAO-government outcomes/areas of work as reflected in the Country Programme Framework (CPF) or other documents. If more than one country is involved, a brief justification may highlight FAO’s capacity to serve all countries taking account of respective national development goals. Recall the Strategic Objective, Regional Result and

²⁶ FAO’s comparative advantages are currently defined as: 1. Authority and status as a global intergovernmental organization, 2. FAO as an honest broker, 3. Unparalleled information source and institutional memory, 4. Broad networking capacity with Members and other partners, 5. Decentralized capabilities, 6. Professional and multidisciplinary staff, 7. Capacity

Organizational Results as indicated on the project cover page. Indicate what legislation is pending or proposed or what legislation will be needed to enhance the project impact.

1.1.4 Participants and other Stakeholders

Describe which beneficiaries/ stakeholders (individuals/ groups/organizations) stand to benefit the most from participating in implementation and which may be negatively affected; how they have been involved, and disaggregated according to gender criteria.

1.1.5 Lessons Learned from past and related work, including Evaluation

Demonstrate how lessons learned from other FAO projects have been drawn upon. Project evaluation reports should be valuable sources for this (indicate relevant projects by their title and symbol). Consider mentioning lessons learned from other projects implemented by UN partners and civil society, if possible.

1.2 EXPECTED RESULTS

Summarize the results (impact, outcome, outputs) described in the Results Matrix in Appendix I of the project document.²⁷

SECTION 2 – FEASIBILITY

2.1 ENVIRONMENTAL IMPACT ASSESSMENT

Based on the Category assigned in the concept note, design and incorporate appropriate prevention, mitigation, management and monitoring measures in order to avoid potential environmental and social impacts as detailed in FAO's Environmental Impact Assessment.

2.2 RISK MANAGEMENT

During project design, it is important to identify and assess risks and allocate time and other resources to manage them through monitoring and mitigation measures. A risk management matrix – which will be updated during the implementation phase – is available in FPMIS and also provided in the Appendix III of the project document. Specific guidelines on how to conduct a risk assessment in alignment with FAO risk corporate strategy are defined in the Practical Guidance.

2.3 WORKPLAN

The workplan is to be included in Appendix IV of the project document. Activities need to be detailed specifying the timeframe and responsibility for their completion. Further guidelines are defined in the 'practical guidance' manual.

2.4 IMPLEMENTATION AND MANAGEMENT ARRANGEMENTS

While the previous sections would have defined “**why**” the project is needed and “**what**” the project is going to do, this section should describe “**how**” the project will do it.

2.4.1 Institutional Framework, Partnerships Information Management and Knowledge Sharing and Coordination

Key partners involved and responsible for project implementation in addition to FAO, namely: resource partner(s), recipient government(s) at central and local levels, should be indicated. Based on assessment by implementing partners of other participating organizations, an overview of their roles and responsibilities should be given. These should specifically indicate whether the

²⁷ For further guidance on the formulation of the matrix, please consult the detailed guidelines in the Practical Guidance manual. Please note that the Results Matrix should be completed in FPMIS as the first step, i.e. before the Project Document is elaborated and not as an after-thought.

project implementation arrangements imply Government Execution of the Project or Government implementation of certain project components, indicating which they are. The partners with experience in dealing with these participants should be actively involved, as well as other groups which may stand to “loose” from the project.

A project may require the establishment and support throughout the project timeline of a coordinating mechanism such as a **steering or advisory committee** to facilitate and monitor involvement of participating organizations. A short description of the composition and functions of such a committee as well as its need of coordination support should be included. Organizational relationships should be presented through an organigramme in an annex. It may also be pertinent to explain how the project can strengthen cross-sectoral collaboration.

To serve its mandate, FAO's activities comprise of ensuring information is put within the reach. It should be ensured that all information produced during the project is collected, analysed, disseminated and archived properly as well as it is available beyond the project cycle²⁸. Specific guidelines on publishing are available via the [FAO Web Guide](#). All knowledge products (publications, videos, presentations, images, etc.) in all available official languages need to be appropriately shared and preserved through FAO's repositories or other appropriate channels.

A comprehensive information management and knowledge sharing strategy should also be developed in order to effectively disseminate information and increase the visibility of project activities and results. This includes ensuring regular assessments of the work being carried out, capturing of lessons learned and good practices, participation and engagement through knowledge sharing networks and communities of practice.

2.4.2 Budget and inputs of partners

In delivering projects funded by extra-budgetary contributions, FAO incurs various administrative and operational support costs in order to facilitate project delivery. Therefore, in developing the project budget, it is important to consider the Project Support Cost rate concerned. FAO's policy on PSC is to fully recover such costs from projects. FAO's Information note and policy

on PSC²⁹ needs to be consulted and adhered to.

In order to avoid under- or over-budgeting, assess carefully the estimated cost of each input, taking into consideration possible additional costs such as medical examination, visa, transportation, casual labour, etc.

Provide the amount of the project budget and indicate the contribution of the project partners including governments, co-financiers, if applicable.

- **Government**

- Describe conditions that the government needs to put in place prior to the commencement of activities to ensure smooth project implementation.
- Describe the inputs that the government commits to providing in kind (facilities, resources and services) or financial resources to ensure timely and effective implementation of the project. This may include office space, equipment, staffing, coordination and leadership functions (National Project Director, Steering Committee, etc.), customs clearance for equipment, clearance of international personnel, etc. (as well as full funding in the case of UTF projects). In projects where participants are expected to provide a contribution in order to benefit from the project's outputs, the modalities should be explained, and if needed, further elaborated in a separate annex.

- **Resource partner(s)**

Identify clearly the resource partner(s) and what they are providing through FAO to implement this project³⁰. This information needs to be monitored and updated throughout the lifecycle of the project. In the case of Regular Programme funding, identify FAO's input. Discuss any subcontracts or Letters of Agreement that are envisioned for project implementation. Other items may be: operating expenses, duty travel, possible security provisions³¹, and any other inputs from the resource partner. When co-financing arrangements are envisaged with other resource partners, this section should explain the inputs that will be provided.

²⁸ <http://www.fao.org/docrep/014/am859e/am859e11.pdf>

²⁹ Available at: <https://extranet.fao.org/fpmis/docs/278308>

³⁰ Please refer to the paragraph on budget revision in the Implementation phase.

³¹ Please refer to Administrative Circular 2003/18: “FAO Field Security Policy” and “Minimum Operating Security Standards (MOSS)” available from the Intranet and FPMIS.

UNJPs: envisaging the use of the Harmonized Approach to Cash Transfers to Implementing Partners

(HACT). HACT is the common operational framework for transferring cash to government Implementing Partners and was adopted initially by UNDP, UNICEF, UNFPA and WFP pursuant to the UN General Assembly Resolution 56/201. FAO and other Specialized Agencies have agreed to adopt HACT at the UNDG meeting on 24 April 2008. The overall rationale for this approach is to contribute to reduced transaction costs for national implementing partners, and to increase UN Agencies' focus on strengthening national capacities for financial management, programme and project implementation and accountability.

If the use of HACT is envisaged for a project/programme, the budget holder must take the preliminary steps *during project formulation* to ensure timely clearance for this approach is obtained, following the FAO Guidance Note on HACT. Partner UN Agencies and Implementing Partner (s) should be contacted and involved.

2.4.3 Procurement

Careful procurement planning³² is necessary for securing goods, services and works in a timely manner, on a “Best Value for Money” basis, and in accordance with the Rules and Regulations of FAO. It requires analysis of needs and constraints, including forecast of the reasonable timeframe required to execute the procurement process.

Procurement and delivery of inputs in technical cooperation and emergency assistance projects follow FAO's rules and regulations for the procurement of supplies, equipment and services (available in the FAO Procurement Intranet page, Manual Sections [502](#) and [507](#)). If substantial or complex procurement is envisaged, it is recommended to contact the Chief of the Procurement Service (CSAP) for specific advice or support on how to adequately plan procurement action.

Manual Section 502: “Procurement of Goods, Works and Services” establishes the principles and procedures that apply to procurement of all goods, works and services on behalf of the Organization, in all offices and in all locations, with the exception of the procurement actions described in Appendix A – Procurement Not Governed by Manual Section 502.

Manual Section 507 establishes the principles and rules that govern the use of Letters of Agreement (LoA) by FAO for the timely acquisition of services from eligible entities in a transparent and impartial manner, taking into consideration economy and efficiency to achieve an optimum combination of expected whole-life costs and benefits (“Best Value for Money”).

Procurement Plan

Budget Holders should, to the extent possible, draw up an annual procurement plan for major items which will be the basis of requests for procurement actions during implementation (cf. the Practical Guidance manual for more details).

The plan includes a description and quantities of the goods, works or services to be procured, estimated budget and source of funding, schedule of procurement activities and proposed method of procurement. It should consider, as far as possible, grouping together items with similar specifications, deadlines and destinations from different projects. In situations where exact information is not yet available, the procurement plan should at least contain reasonable projections that will be corrected as information becomes available.

For **Emergency Response** projects, upon initiation of an emergency, the Budget Holder together with the relevant Technical Services as appropriate should establish to the extent possible a Procurement Plan that will include the budget for goods and services required, final destinations and estimated required delivery schedules and quantities. Procurement Plans may be established for shorter periods of time as dictated by the nature of the Emergency Project or Programme and updated/modified regularly as additional information is received.

³² More details on procurement planning can be found at http://intranet.fao.org/csd/procurement/information_on/procurement_planning/

2.4.4 Technical and Operational Support

- **FAO's technical support arrangements**

- Mechanisms need to be defined in relation to the type of technical support required, which could range from direct supervision by a technical officer to the subcontracting or hiring of local or international expertise that would operate under the supervision and/or guidance of the technical officer. Most projects will require a mix of international expertise, that can only be provided by FAO technical officers, as well as expertise that can also be found at national level. The involvement of local national organizations as implementing partners for technical support is encouraged, wherever possible, in order to contribute to building national capacities, as well as in relation to possible cultural sensitivities.
- All projects should envisage technical backstopping, supervision and support visits by the technical officer(s) concerned, and assess the related cost. The location from where the technical support will primarily be provided (normally the FAO sub-regional office) should be identified, as well as oversight and supervision by the regional office (RO) and HQ, together with a description of the means and nature of technical support (technical backstopping missions, information/expertise support, or advice *via* phone or email, etc.).
- During budget formulation, due attention should be paid to costing backstopping, both for missions and desk work from technical staff. The daily honorarium reimbursement rate for trust fund projects is based on professional grade and location.

- **FAO's operational and administrative support arrangements**

- Responsibilities and reporting lines within the project and with regard to national coordination units should be clarified, as well as oversight mechanisms involving the project team and the partner organization. The cost for this internal management and administrative support within the project must be assessed and included in the budget.
- Operational support to the project is generally provided under the overall oversight of the Budget Holder, through the **Field Programme Support Network (FPSN)** who monitor operations at portfolio level at subregional, regional and global levels, mainly for *Delivery performance and reporting obligations* and who can notify Budget Holders when individual projects would appear to be nearing or have entered certain critical points in operations: i.e. in terms of financial performance such as no or low delivery and reporting obligations such as progress report required.
- The Budget Holder may also request operations support and advice at various stages throughout implementation on a wide range of issues related to financial performance reporting obligations, HR and more. The FPSN works on a subsidiarity principal, with the first port of call for national projects being the SRO.
- Project operators (budget holders) receive a percentage of the PSC income earned and can use these funds to strengthen their capacity by hiring additional staff. This income is referred to as Administrative and Operational Services (AOS) income.
- In case of large-scale and/or complex projects, specific articulated internal control mechanisms may be required, particularly if the project is operated by an FAO Representative, or other arrangements ensuring segregation of administrative and finance duties within the FAOR office. The cost for such additional capacity should be assessed and shown, to the extent possible, as part of the project's direct costs under the budget, while accountability and reporting lines for such arrangements need to be clearly defined.

2.5 MONITORING AND REPORTING

Monitoring is an integral part of project cycle. In this section the responsibilities assigned for monitoring and reporting on the project implementation and results should be described. Furthermore, the chronology of the monitoring - including timing for the mid-term review mission and evolution mission - should be presented as well as the need for training and/or technical assistance to be provided.

The project monitoring and reporting framework is detailed in Phase 4 – Implementation and Monitoring.

2.6 COMMUNICATION

Communication is essential for project effectiveness and sustainability. Communication for development activities should be planned since the beginning to ensure stakeholders' engagement, access to relevant information and ownership. A comprehensive communication strategy should be designed to effectively promote participation, dialogue and improve the visibility of project results. Any specific visibility arrangements requested by the resource partner should also be factored in.

Communication activities should be considered for all projects and be planned/budgeted for during the project formulation phase³³.

2.7 PROVISION FOR EVALUATION

Project evaluation services are considered direct project costs as part of technical support provided by FAO. Thus, they do not fall under administrative and operational support services. The policy of the Organization stipulates that: "All programmes under FAO's managerial responsibility are subject to evaluation, including voluntary funded activities. Such evaluation provides not only accountability on results, but also lessons learned and recommendations to improve the future performance of FAO and an evidence-base for decision-making."

To this end, adequate provisions for evaluation must be included and it is the responsibility of project formulators to ensure that this is done. The current policy for evaluation of voluntary funded activities is synthesised in phase 5.

SECTION 3 – SUSTAINABILITY OF RESULTS

In a Technical Cooperation context, sustainability is the continuation of benefits from a development intervention after assistance has been completed and the probability of continued long-term benefits. This concerns all individuals, institutions and the policy enabling environment supported by FAO *via* the project. The likelihood of sustainability is increased when projects comprehensively address all three dimensions and involves national/local organizations in carrying forward the activities over time.

Every project should have an "exit" strategy, ensuring a smooth transition/handover period whereby arrangements for the continuation of benefits beyond the life-time of the project can operate and handover to stakeholders can be envisaged. Project sustainability should be assessed as appropriate taking into consideration the following defining factors: Capacity Development (from a policy, organizational and individual perspective), Gender Equality, Socio-Cultural dimensions, Environmental Sustainability, Appropriateness of Technology Introduced/Enhanced, Human Rights Based Approaches/ Right to Food, Financial/Economic Sustainability and knowledge transfer. For methodological details see the Practical Guidance manual.

³³ Cf. FAO guidelines on ComDev planning

FAO PROJECT RESULTS MATRIX³⁴

Activities and inputs are detailed in the following **Appendix IV**

RESULTS CHAIN	INDICATORS ³⁵			Means of verification (MOV)	ASSUMPTIONS
	Indicators	Baseline ³⁶	Target		
Impact ³⁷					
Outcome ³⁸					
Outputs					
Activities (optional)					

³⁴ To support strategic planning, the results matrix and the workplan and budget describe the entire chain of inputs, activities, outputs, outcomes and strategic goals. It provides an effective and transparent linkage between means and ends.

³⁵ It is recommended to formulate up to two indicators for project outcome and up to three indicators for each outputs. Please consult for further details the practical guidance manual section on how to build an indicator.

³⁶ When baseline is not available and may require additional resources, a preliminary activity could be created in the workplan.

³⁷ Impact measures project contribution to higher level results including contribution to CPF. For that purpose the relevant CPF outcome indicator(s) should be included in the results matrix and tracked.

³⁸ FAO projects should have one outcome. Programmes may have more.

Project Document Appendix II

WORKPLAN

	Year 1				Year 2				Year 3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Output 1												
Activity 1.1		X										
Sub-Activity 1.1.1		X										
Activity 1.2			X									
Sub-Activity 1.2.1			X									
Activity 1.3			X									
Activity 1.4						X						
Output 2												
Activity 2.1							X	X	X			
Sub-Activity 2.1.1								X	X			
Activity 2.2			X	X								
Activity 2.3						X	X					
Sub-Activity 2.3.1							X					
Activity 2.4					X	X						
Output 3												
Activity 3.1		X										
Activity 3.2						X	X	X				

The workload analysis, based on the workplan, provides the justification for the required personnel inputs, related travel costs, training and equipment costs (including security requirements), as well as technical support costs. The analysis of the workload/workplan is an essential prerequisite for a realistic estimation of the budget. In general, in order to avoid under- or over-budgeting, assess carefully the estimated cost of each input, taking into consideration possible additional costs such as medical examination, visa, transportation, casual labour etc.

BUDGET

In the context of FAO's adherence to Results-Based Management principles, it is recommended to establish the project budget based on a detailed estimation of the inputs needed to achieve the agreed results. As such, any budget preparation should be based on a detailed analysis of the inputs and services required to implement the workplan and deliver the outputs. The FPMIS budget module allows formulators to prepare a budget according to several templates: results-based, TCP, resource partner specific. Ideally and wherever possible the results-based budget should be used. This facility automatically creates the budget structure based on the outputs defined in the Results Matrix and it will convert the results-based budget into the Oracle format for subsequent processing by Finance Division (CSF). On the basis of project budget, it is recommended to formulate in FPMIS in annualized results-based budget.

Example of Results Based Budget

	BUDGET
Output 1 :	xxx
Activity 1.1 :	
Activity 1.2 :	
Output 2 :	xxx
Activity 2.1 :	
Activity 2.2 :	
Activity 2.3 :	
Activity 2.4 :	
Activity 2.5 :	
Activity 2.6 :	
Unlinked Transactions	
Evaluation Costs	xxx
Project Support Costs (PSC)	xxx
TSS	xxx
General Operating Expenses (GOE)	xxx
EIA/EA (for Category A and B projects)	xxx
Grand Total	xxx

RISK MANAGEMENT MATRIX

Risk Description [narrative description]	Category ^{39*}	Impact [effect on project/ programme/ organization if risk were to occur, H,M,L] ⁴⁰	Likelihood [estimate of likelihood H,M,L]	Mitigating action(s) [what actions will be taken/ have been taken to counter this risk]	Owner [person/ unit appointed to monitor this risk]	Status ⁴¹ [No change, reduced, etc.]

* FAO ERM Strategy has defined the following risk categories which should be selected also at project level: CLEAR INTENDED PURPOSE (IMPACT & OUTCOME); EFFECTIVE DELIVERY STRATEGY; EXTERNAL STAKEHOLDER SUPPORT; INTERNAL STAKEHOLDER SUPPORT; RIGHT RESOURCES; VIABLE DELIVERY STRUCTURES; STRONG DELIVERY MANAGEMENT.

A comprehensive "Risk Catalogue" is also available as part of FAO Risk Management Handbook.

³⁹ In addition to the corporate categories, please consult the EIA guidelines <http://www.fao.org/docrep/014/am862e/am862e00.pdf>

⁴⁰ High, Medium, Low

⁴¹ To be completed during project cycle formulation and updating during implementation and monitoring phase

PROJECT AGREEMENT TEMPLATE

FAO/GOVERNMENT COOPERATIVE PROGRAMME (GCP)

1. Upon request from the Government of _____ (the Government), and within the framework of its agreement with the Government of _____ (the Donor Government), the Food and Agriculture Organization of the United Nations (FAO) will supply assistance for the execution of the following Project once it is also accepted by the Donor Government.

Project Title: _____

Project Symbol: _____

A detailed description of the Project, including background, rationale, project framework, implementation and management arrangements as well as oversight, monitoring, management information and reporting, is provided in the attached Project Document.

FAO OBLIGATIONS

2. FAO shall be responsible for the recruitment, international travel, salaries and emoluments of the international personnel scheduled in the Project Document. The candidatures of these international staff shall be submitted to the Government for clearance following FAO's procedures. FAO shall also be responsible for the recruitment, salaries and emoluments of the national experts, national consultants, and national personnel as scheduled in the Project Document, except for counterpart personnel assigned by the Government.
3. FAO will procure, in accordance with its rules and regulations, the equipment and supplies described in the Project Document. The equipment will remain the property of FAO for the duration of the Project. Its ultimate destination shall be decided by FAO in consultation with the Government and with the Donor Government.
4. FAO will arrange for periodic technical supervisory, support or review missions to the Project, with the full costs to be financed from the Project's budget.
5. All FAO's obligations arising under this Project Agreement shall be subject to: (i) the decisions of its Governing Bodies and to its constitutional, financial and budgetary provisions; and (ii) the receipt of the necessary contributions from the Donor Government. All financial accounts and statements shall be expressed in United States Dollars and shall be subject exclusively to the internal and external auditing procedures laid down in the Financial Regulations, Rules and directives of FAO. Any obligations assumed by FAO may, at any time, be taken over by the Donor Government.
6. FAO may, in consultation with the Government, execute part or all of the Project by subcontract. The selection of the subcontractors shall be made, after consultation with the Government, in accordance with FAO's procedures.

GOVERNMENT OBLIGATIONS

7. The Government shall take all necessary measures to facilitate the execution of the Project and to assist the FAO staff in obtaining such services and facilities as they may require to fulfil their tasks. The Government shall apply to FAO, its property, funds and assets, its officials and to the persons performing services on its behalf in connection with the Project: (i) the provisions of the Convention on Privileges and Immunities of the Specialized Agencies; and (ii) the United Nations currency exchange rate.
8. The Government shall deal with any claims brought by third parties against FAO, its personnel or other persons performing services on its behalf in connection with the Project, except when it is agreed by FAO and the Government that such claims arise from gross negligence or wilful misconduct of such persons. The present agreement shall be governed by general principles of law, to the exclusion of any single national system of law.
9. The Government shall be responsible for the recruitment, salaries and social security measures of its own national staff assigned to the project. The Government shall also provide as and when required for the Project, the facilities and supplies indicated in the Project Document.

10. The Government shall grant to the staff of FAO and of the Donor Government and to persons acting on their behalf, access to the Project site and to any material or documentation relating to the Project, and shall provide any relevant information to such staff or persons.

11. The Government shall be responsible for the cost of import and customs clearance of the Project's equipment, its transportation, handling, storage, and related expenses within the country; its insurance, safe custody, and maintenance, after delivery to the project site, as well as replacement if necessary.

REPORTING AND EVALUATION

12. FAO will report to the Government (and to the Donor Government) as scheduled in the Project Document.

13. The Government shall agree to the dissemination of information, like descriptions of the project and of its objectives and results, for the purpose of educating public opinion.

14. The Project may be subject to independent evaluation according to the arrangements agreed to between the donor, recipient government and FAO. The evaluation report will be treated as confidential with restricted access by parties not directly involved in the Project. However, FAO is authorized to prepare a brief summary of the report for the purpose of disseminating broadly its main findings, issues, lessons and recommendations as well as to make judicious use of the report as an input to evaluation synthesis studies.

CLAIMS, AMENDMENTS AND TERMINATION

15. Any dispute, controversy or claim arising out of or in connection with this Agreement or any breach thereof, shall, unless it is settled by direct negotiation, be settled by arbitration in accordance with the UNCITRAL Arbitration Rules in force on the date when this Agreement takes effect. The parties hereto agree to be bound by any arbitration award rendered in accordance with this Section as the final adjudication of any disputes.

16. Nothing in or related to any provision in this Agreement shall be deemed a waiver of the privileges and immunities of FAO.

17. This Project Agreement may be amended or terminated by mutual consent. Termination shall also take effect sixty days after receipt by either party of written notice from the other party. In the event of termination, the obligations already assumed by the Government shall remain in force to the extent necessary to permit orderly withdrawal of the funds and assets of FAO, and of personnel performing services on its behalf.

18. This Project Agreement shall enter into force upon signature by both parties.

On behalf of: The Government of	On behalf of: The Food and Agriculture Organization of the United Nations
Name:	Name:
Title:	Title:
Date:	Date:

PROJECT AGREEMENT TEMPLATE

UNILATERAL TRUST FUND (UTF) AGREEMENT (NATIONALLY FUNDED PROJECTS)

between the Government of _____ and the Food and Agriculture Organization of the United Nations (FAO) concerning the provision of technical assistance services in respect of:

Project Title: _____

Project Symbol: _____

WHEREAS the Government of _____ (hereinafter referred to as “the Government”) and the Food and Agriculture Organization of the United Nations (hereinafter referred to as “FAO”) have held consultations with regard to management and other support services to be provided by FAO within the framework of this Project (hereinafter referred to as “the Project”).

WHEREAS the Government has decided to finance the services specified in this Agreement (hereinafter referred to as “the Services”) from its own resources.

WHEREAS FAO has agreed to provide the services identified under the attached Project Document and to establish Trust Fund account N° _____ for this purpose.

NOW THEREFORE, the Government and FAO agree as follows:

ARTICLE I

1. FAO shall be responsible for the provision, with due diligence and efficiency, of the Services described in the Project Document attached to this Agreement. The duration of the Services is estimated to be _____, calculated from the date on which this Agreement becomes effective in accordance with the provisions of Article XI.1 of this Agreement. The Work Plan for such Services is set forth in Annex 3 of the Project Document.
2. The Government shall retain overall responsibility for the implementation of the Project.
3. FAO and the Government shall consult closely with respect to all aspects of the provision of the Services under this Agreement.

ARTICLE II

1. The total cost of the provision of the Services, including a specified amount for FAO support costs, is estimated at US\$ _____ as set out in detail in the Budget provided in the Project Document. This total cost shall not be exceeded without the prior agreement of the Government. Should the total cost of the Services change upwards or downwards, the amount for FAO’s support costs will be adjusted proportionally.
2. Upon signature of this Agreement, the Government shall make arrangements for the direct payment to FAO of the total cost of the provision of the Services, and to transfer an initial amount of US\$ _____ to the FAO account specified in Article II para 4 below.
3. FAO shall submit periodic payment requests to the Government in accordance with the schedule of payments indicated in the Budget of the Project Document, adjusted on the basis of quarterly statements showing expenditures during the previous three months and estimated cash requirements for the following period of six months.

4. FAO shall establish a separate account for the purpose of recording financial transactions related to the Services provided under this Project. All payments to FAO shall be made in US Dollars and credited to:

Account Name:	FAO Trust Fund (USD)
Bank Name:	HSBC New York 452 Fifth Ave. New York, NY, USA, 10018
Swift/BIC:	MRMDUS33
ABA/Bank Code:	021001088
Account No.	000156426

indicating that the funds should be credited to Trust Fund N°

5. FAO shall not be required to commence or continue the provision of the Services until the respective payments referred to above have been received by FAO and it shall not be required to assume any liability in excess of the funds paid into the account referred to above.

ARTICLE III

1. FAO shall either provide the personnel needed to carry out the Services, or shall subcontract part or all of these Services, provided that the recruitment of any personnel or any subcontractor, and the terms and conditions thereof, shall be made only after approval by the Government.
 - (a) FAO shall make arrangements to meet all payments due to such personnel or subcontractors and any other expenses in connection with their assignment.
 - (b) In the discharge of their responsibilities in accordance with the respective terms of reference in their contracts, such personnel or subcontractors shall be assigned to work with the designated Government Agency responsible for the Project, shall cooperate closely with Government staff and shall assist in Project implementation in accordance with the overall directives laid down by the Government in consultation with FAO. FAO shall provide such personnel or subcontractors with appropriate guidance, supervision, administrative support and advisory technical services as FAO may deem necessary for the successful implementation of the Services.
2. FAO shall administer, in consultation with the Government, any fellowships and training detailed in the Project Document.
3. FAO shall procure, in accordance with its procurement rules and regulations, the equipment and supplies specified in the Project Document. Title to non-expendable equipment shall be vested in FAO and subsequently transferred to the Government (upon full payment of suppliers invoices). To the extent that the costs in respect of any customs duties, levies or charges related to the landing, warehousing, clearance and inland forwarding of such equipment and supplies into the country are not the subject of an exemption by the Government, the Government shall be responsible for such costs out of resources other than those specified in the Budget of the Project Document.
4. FAO shall, in addition to the insurance arrangements existing under its normal procedures as specified in any relevant provisions of the Project Document, make appropriate arrangements for such other insurance in respect of the Services under this Agreement as may be requested by the Government. Such arrangements shall be as agreed between the Government and FAO.

ARTICLE IV

1. Except as otherwise agreed in writing between the Government and FAO, the Government shall be responsible for the recruitment, employment and social costs of national staff, as well as for the supporting administrative services such as local secretarial and other personnel services, office space, equipment and supplies produced locally, transportation within the country and communications as required for the implementation of the Project and these Services. The related costs will be covered by the Government directly from resources other than those specified in the Budget of the Project Document.

ARTICLE V

1. All financial accounts and statements shall be expressed in United States Dollars and shall be subject exclusively to the internal and external auditing procedures laid down in the Financial Regulations, Rules and directives of FAO.
2. Expenditures for personnel services, as may be provided in the Budget of the Project Document, shall cover salaries, allowances and other entitlements applicable to FAO staff and consultants. FAO shall budget for such costs on the basis of estimated costs, but shall be paid for the provision of such services on the basis of actual costs. Adjustments in the duration, nature and cost of such services, as required, may be made after consultation between the Government and FAO if this is found to be in the best interests of the Project.
3. Expenditures for subcontracting as may be provided in the Budget of the Project Document shall be specified in the contracts between FAO and the respective subcontractors and shall be limited to the costs arising from such contracts. Adjustments in the duration of their services, referred to in the Budget of the Project Document, may be made after consultation between the Government and FAO if this is found to be in the best interests of the Project.
4. Expenditures on fellowships, or other training, as described in the Project Document shall be made in accordance with the directives of FAO relating to fellowships and training. Within such total allocation, adjustments with respect to the training component may be made after consultations between FAO and the Government, if this is found to be in the best interests of the Project.
5. Expenditures for purchase of equipment shall be limited to the items specified in the attached Project Document and its Budget.
6. If, due to unforeseen circumstances, the funds stipulated under Article II.1 of this Agreement prove to be insufficient to cover the total cost of the provision of the Services, FAO shall inform the Government accordingly. The parties shall then hold consultations with a view to agreeing upon appropriate modifications to the Services so as to ensure that the funds provided by the Government shall be sufficient to cover all expenses for the provision of the Services.

ARTICLE VI

1. FAO shall submit such reports relating to the Services as may reasonably be required by the designated Government Agency responsible for the Project in the exercise of its duties as described in the Project Document.
2. Following FAO's completion of the Services, a final statement of expenditure shall be submitted to the Government.
3. Any balance of funds that is undisbursed and uncommitted by FAO upon completion of the scheduled Services, including interest accrued, shall be held by FAO at the disposal of the Government in the account referred to in Article II.4 of this Agreement.

ARTICLE VII

1. The present Agreement shall be governed by general principles of law, to the exclusion of any single national system of law.
2. In all matters connected with performance under this Agreement, the Government shall apply to FAO, its property, funds and assets, officials and any person designated by FAO to perform services under this Agreement, the provisions of the Convention on the Privileges and Immunities of the Specialized Agencies and Annex II thereof relating to FAO.
3. The Government shall be responsible for dealing with and settling any claims by third parties brought against FAO, its officials or other persons performing services on its behalf, which are not covered by the insurance arrangements made by FAO under Article III.4 of this Agreement, except where it is agreed by FAO and the Government that such claims or liabilities arise from the gross negligence or wilful misconduct of such personnel or persons.

ARTICLE VIII

1. Any dispute, controversy or claim arising out of or in connection with this Agreement or any breach thereof, shall, unless it is settled by direct negotiation, be settled by arbitration in accordance with the UNCITRAL Arbitration Rules in force on the date when this Agreement takes effect. The parties hereto agree to be bound by any arbitration award rendered in accordance with this Section as the final adjudication of any dispute.
2. Nothing in or relating to any provision in this Agreement shall be deemed a waiver of the privileges and immunities of FAO.

ARTICLE IX

Any amendment to this Agreement or its attached Project Document (with Annexes) shall be effected by mutual agreement of the parties through an exchange of letters.

ARTICLE X

1. This Agreement may, at any time, be terminated by the Government by written notice to FAO.
2. This Agreement may, at any time, be terminated by FAO by written notice to the Government, if in the opinion of FAO, an event beyond the reasonable control of FAO occurs which makes it impossible for FAO to carry out its obligations under this Agreement.
3. This Agreement shall terminate sixty days after receipt of a notice under paragraphs 1 or 2 of this Article X.
4. The obligations assumed by the parties under this Agreement shall survive the termination of the Agreement to the extent necessary to permit the orderly conclusion of activities, the withdrawal of personnel, funds and property, the settlement of accounts between the parties hereto and the settlement of contractual liabilities that are required in respect of any personnel, subcontractors, consultants or suppliers.

ARTICLE XI

1. This Agreement shall become effective on the date on which it has been signed by both parties hereto. In the event that this Agreement is not signed by the parties on the same day, the last party to sign this Agreement shall promptly inform the other party of the date on which it has been so signed, and this date will be the date on which this Agreement becomes effective.
2. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, or fax to the party to which it is required or permitted to be given or made at such party's address hereinafter specified

or at such other address as such party shall have designated by notice to the party giving such notice or making such request.

IN WITNESS WHEREOF, the parties hereto, acting through their respective representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names:

For the Government of	For the Food and Agriculture Organization of the United Nations
Name:	Name:
Title:	Title:
Date:	Date:

PHASE 3 - APPRAISAL AND APPROVAL⁴⁴

The **Project Appraisal and Approval phase** covers the required corporate technical reviews and quality assurance processes that enable management to give final approval to the project.

APPRAISAL

MAIN FEATURES OF THE APPRAISAL PROCESS

The appraisal process applies to all projects regardless of their funding source⁴⁵. It checks consistency and technical soundness and adherence to quality standards of the interventions foreseen in the project. **Two basic steps are involved:** i) a collegial Interdisciplinary Technical Review; and ii) an independent Quality Assurance Review. A clear distinction is made between the review of technical aspects on one side and the screening of the project's compliance with corporate quality standards on the other.

A simple rating system permits aggregation of data concerning the quality of project documents. Results-oriented monitoring during the subsequent implementation phase allows for continued focus on the evolution of these quality aspects throughout the cycle and enhances the value added by the appraisal process. The whole process is FPMIS based, hence will reduce paper work while ensuring full transparency.

The appraisal and approval process is characterised by the following key attributes:

- **Independence:** i.e. the reviewers are distinct from the project task force members in charge of formulating projects and well placed to perform a parallel and objective review of the proposals;
- **Timeliness:** by drawing on the first appraisal (at the concept note stage) to influence the design and strategic underpinning of operations;
- **Complementarities of roles:** a peer review will precede a review of the project compliance with generic quality standards that can normally apply to all operations, independently of the instrument and the sector considered, as well as with FAO rules, procedures and policies;
- **Transparency and accessibility:** the results of the reviews are stored in FPMIS and add to the knowledge base for dissemination and use of quality criteria and standards;
- **Compatibility with decentralization policy:** by delegating the review function to decentralized levels as appropriate;
- **Maintenance of clear lines of accountability:** overall accountability for the quality of proposals rests clearly with the budget holder as PTF chairperson, who authorizes the release of documents and integrates the comments provided by reviewers as deemed appropriate.

⁴⁴ Based on glossary of Key Terms in Evaluation and Results Based Management OECD / DAC 2003: "Project appraisal is an overall assessment of the relevance, feasibility and potential sustainability of a development, including Disaster Risk Management (DRM) intervention, prior to a decision on approval and /or funding. After an appraisal has been satisfactorily completed, approval signals the Organization's corporate commitment to implement the project as described in the project document and project agreement, ensuring the application of results-based management principles and the appropriate use of resources."

⁴⁵ Excluding for the time being TCP- and Telefood-funded activities. For emergency response projects please see the red boxes in the text

APPRAISAL STEP 1: INTERDISCIPLINARY TECHNICAL REVIEW (ITR)

The **ITR applies** only to projects of Technical Cooperation nature and not to the Emergency Response projects.

1. Submission to the ITR

Once the PTF is satisfied with the draft project document, the project formulator submits it for ITR in order to benefit from multidisciplinary inputs, seek confirmation of the approaches chosen, as well as allow for fruitful exchanges across all technical disciplines.

- **For regional, sub-regional and national projects**, the ITR will be undertaken by the Multidisciplinary Team. In order to ensure adequate skills mix, the project formulator will have to involve other experts of technical disciplines (at HQ or in DOs) which are not represented within the MDT.
- **For global and interregional projects**, the project formulator will submit the project document to technical officers of relevant divisions at HQs as well as in DOs, as deemed relevant.

2. Review of feedback from the ITR

Technical reviewers send comments directly to the project formulator who should liaise with the other members of the PTF and ensure that the project document is modified accordingly.

Subsequently, the project formulator completes an ITR Template, indicating how the comments have been addressed in the project document.

3. Discussion between PTF and Reviewers, if necessary

Should there be significant disagreement between the PTF and those consulted through the ITR, further discussion should take place between the parties to reach agreement.

4. Arbitration

In the very rare cases that agreement cannot be reached in this way, the ADG/TC or the ADG/RR (depending on the scope of the project) will need to arbitrate, in consultation with the concerned ADGs of the Technical Departments.

APPRAISAL STEP 2: QUALITY ASSURANCE REVIEW (QAR)

The project document and the Project ITR Template are then submitted by the PTF for QAR to a group of reviewers across FAO: the Project Appraisal Committee (PAC) coordinated by a Project Appraisal Officer (PAO) who is not a PTF member. This review encompasses key categories of clearance, as well as adherence to essential quality standards of:

relevance; feasibility and sustainability.

- **For sub regional and national projects**, the PAO is located in the regional office and works under the supervision of the SFPO;
- **For Global, inter-regional and regional projects** the PAO is located at headquarters in TCDM service.

Table 4. Project Appraisal Committee (PAC) Composition

Type of review	For global, inter-regional, and regional projects	For national and sub regional project proposals
Adherence to programming principles		
Capacity Development	PAO in TCDM (in collaboration with <i>ES, NR, OEK</i>)	PAO in RO (in collaboration with <i>ES, NR, OEK</i>)
Gender		
Environmental Sustainability - EIA		
Human Rights Based Approach/ Right to Food		
Results-Based Management		
Financial clearance	Finance Officer – CSF	Finance Officer - CSF
Technical clearance	LTU	LTU
Legal clearance	Legal Officer – LEG	Legal Officer – LEG
Operational clearance*	PTF Chairperson SFPO/OSP/TCSR/ TCE	PTF Chairperson, SFPO, TCSR/ TCE, OSP, RO
<ul style="list-style-type: none"> Operational clearance is done by the PTF Chairperson for projects below USD 500.000 For projects of 500.000 USD and above, operational clearance is done by the SFPO for non-emergency regional, subregional and national projects and by TCSR/TCE for global and interregional projects and emergency projects respectively OSP is involved in operational clearance only for projects which do not have a standard PSC rate 		

The PAC needs to use the Project Appraisal Checklist in FPMIS. This checklist is structured according the criteria of **relevance, feasibility and sustainability**. Reviewers provide comments and ratings against sub-criteria related to their respective areas of responsibility. The Project Appraisal Checklist can be accessed by as many reviewers as necessary regardless of location. This FPMIS facility allows for aggregate analysis of data, using the rating system.

There are then three possibilities:

- **Project document is endorsed:** The PAC results in endorsement of the project document and the PAO

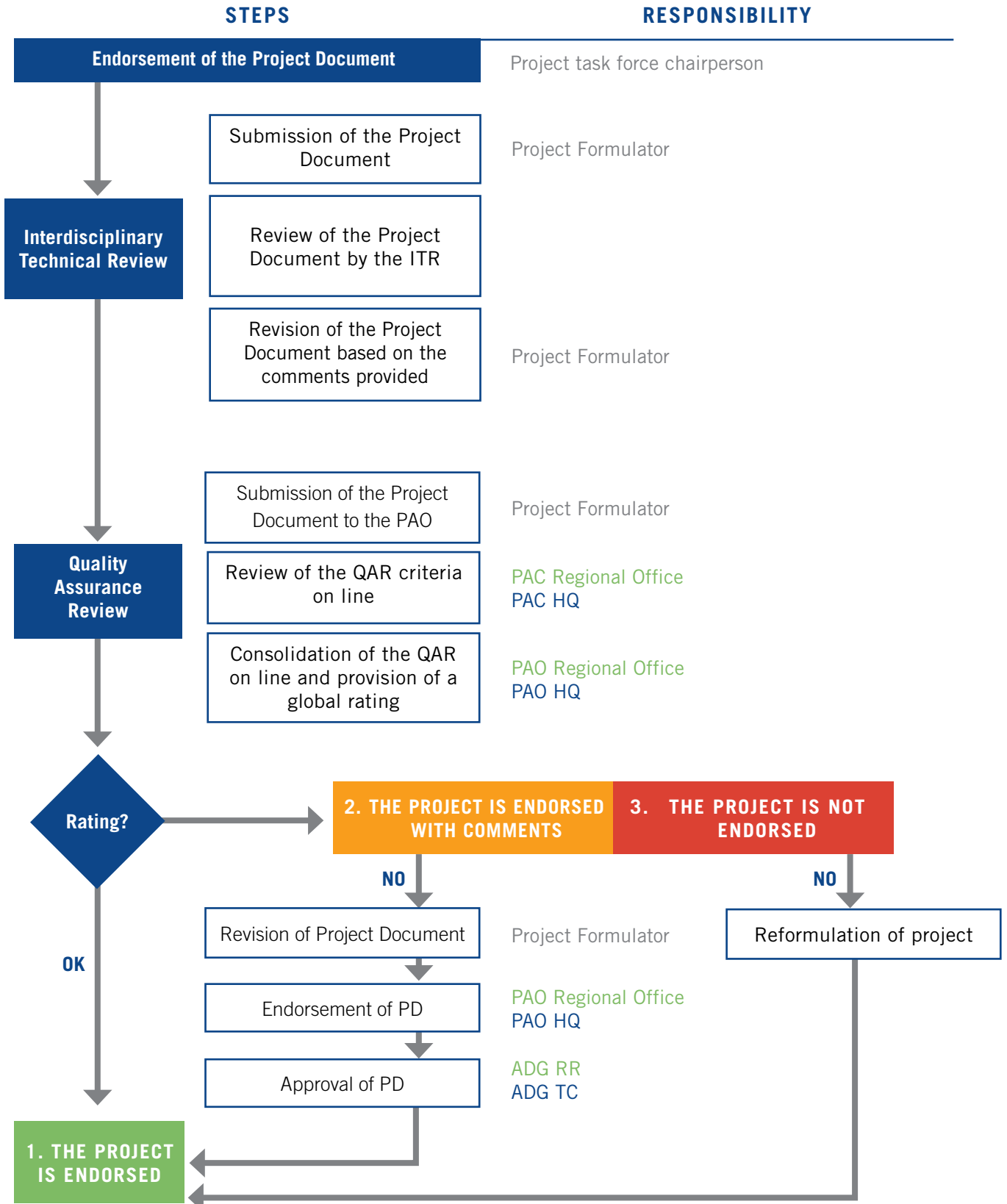
submits the project document to management for approval (ADG/TC for global, interregional and regional projects and the ADG/RR for national and sub regional projects);

- **Project document is endorsed with comments to be addressed:** PAC comments need to be addressed by the PTF before the project document can be submitted for approval;
- **Project document is not endorsed:** Project requires full reformulation.

For **United Nations Joint Programmes:** The FAO component description (with UNJP draft document attached) should be submitted to FAO's QAR (reviewing programming principles as well as financial and operational clearance). The financial clearance should focus on the FAO budget as well as on a "double-check" of the UNJP document to make sure that it does not contain any legal or financial clauses. Such clauses are in fact covered by the separate UNDG Standard MoU for UNJPs which has been agreed-upon by all UNDG agencies (including FAO). It will be important to request and obtain the clearances before the finalization and signature of the UNJP document at the country level, so that – if needed – necessary adjustments can still be made.

Figure 2. Work Flow for Project Appraisal

- Applies to sub-regional and national projects
- Applies to global, interregional and regional projects
- Applies to both



APPROVAL

Approval commits FAO, legally, operationally and technically, to implementing the project according to corporate rules and regulations and achieving the agreed results. Approval by FAO triggers action in financial and operational work streams so that the project can enter the implementation phase.

Approval is completed in two steps:

- Endorsement by the Project Appraisal Officer;
- Review and approval by management.

When the PAC is satisfied that the project proposal meets all required standards, the PAO endorses the proposal and submits it to management (ADG/TC for GLO/INT/Regional projects ADG/RR for national and subregional projects), recommending that the proposal be approved.

Management receives notification of the PAO's endorsement and recommendation to approve via an email. A final review is carried out at the discretion of the manager concerned (ADG/TC/ADG/RR as above) and the project is then approved.

The approved project document will be then sent to the FLO who will formally submit it to the resource partner for the final clearance and signature of the agreement.

Project approval triggers the following automatic concurrent actions that are required before entering into the implementation phase.

1. Project approval triggers the following:

- Opening of the project in FPMIS

This is subject to:

- The FPMIS budget module has been correctly used
- The project is correctly linked to the FAO Strategic Framework

2. Opening of project account in Oracle

- FPMIS sends a notification to CSF. CSF opens the project oracle account.

3. Designation of Budget Holder Responsibility⁴⁷

- The ADG/TC/ ADG/RR sends a standard email of designation of budget holder responsibility to the budget holder.⁴⁸

4. The project status is changed to: 'Operationally Active in FPMIS.'

⁴⁶ For projects operated by country offices, it is necessary to link projects in FPMIS at OR level. For all other projects, linkage at product/service level is necessary

⁴⁷ The purpose of this action is to enable the ADG-TC (GLO/INT/REG projects) and the ADG-RR (national and sub regional projects) to exercise his/her delegated authority from the Director-General to assign Budget Holder responsibility for a project to a staff member.

⁴⁸ In line with the Organization's decentralization policy, in the case of Global, interregional and regional projects, budget holder responsibility is conferred by the ADG-TC for GLO/INT/REG projects and emergency response/fast track projects respectively, and that for national and sub regional projects, budget holder responsibility is conferred by the ADG-Regional Representative

PROJECT INTERDISCIPLINARY TECHNICAL REVIEW TEMPLATE

The Project Document has been sent for technical review on (date):

Name and function of reviewers:

Main comments and recommendation received (and how they have been addressed by the PTF) are summarized in the following table:

Dept	Item #	Comments/recommendations	Action taken by the PTF
1			
2			
3			

After having addressed the comments, the PTF has made a positive self-assessment of the project document and hereby transmits it for Quality Assurance Review.

Date: _____

PROJECT APPRAISAL CHECKLIST TEMPLATE

Technical Cooperation and Emergency Response projects

Each reviewer has to assess how well the project document addresses each specific criterion falling under his/her responsibility. He/She provides comments and a related rating (1, 2 or 3) in the appropriate box.

*The criteria shadowed in GREY apply to both types of projects; the ones with an **E** apply only to emergency response projects; the white ones apply to development projects.*

- | | |
|---|---|
| 1 | The majority of review criteria are considered as fully met.
<i>The project is endorsed</i> |
| 2 | Several review criteria are not adequately met and require improvement.
<i>The project is endorsed with comments to be addressed</i> |
| 3 | The majority of the review criteria are not adequately met and require substantial improvement.
<i>The project is not endorsed and requires reformulation.</i> |

Project Information

Project title Project symbol Recipient country/s Link to OR/CPF outcome/RR, as relevant Project Formulator (name, unit/division) LTO: (name, unit/division) LTU name	<from FPMIS >
Resource Partner(s) contribution Government contribution Total Budget	<Enter Here > < Enter Here > <From FPMIS >
Date of Technical Review Date:	<DD/MM/YYYY > <DD/MM/YYYY>

Overall Appraisal

Name of Project Appraisal Officer : <Enter Here >

Names and division / unit of the other PAC members: **<Enter Here >**<Enter Here ><Enter Here >

Appraisal Rating <tick the appropriate box>

- | | | |
|---|---|--|
| 1. The project is endorsed <input type="checkbox"/> | 2. The project is endorsed with comments to be addressed <input type="checkbox"/> | 3. The project is not endorsed and requires reformulation <input type="checkbox"/> |
|---|---|--|

Comments : < Describe the main issues to be addressed by the PTF. Justify the rating proposed >

Detailed Review	
1. Relevance	
1.1 Alignment and strategic fit	Reviewer: Project Appraisal officer
1.1.1 The Project supports the accomplishment of one or more CPF outcomes and Regional and Sub-Regional priorities.	
1.1.2 Project/programs address a strategic area of FAO work and the contribution to specific OR is well specified and adequate.	
1.1.3 The project supports application of FAO normative work at national/sub-regional and regional level and assist national/sub regional and regional partners in implementing FAO developed/supported international norms, standards and other Global Public Goods	
1.1.4 E Project is aligned to UN interventions and those of other International Institutions for an effective emergency response.	
<i>Rating :</i>	
<i>Comments:</i>	
1.2 Comparative advantage and partnership	Reviewer: Project Appraisal officer
1.2.1 The FAO strengths/comparative advantages and what makes FAO intervention key for the success of the project are well described.	
1.2.2 E FAO leadership role in the food and agriculture cluster is outlined.	
1.2.3 Links with other nationally or resource partner-funded programmes, partnerships with CSOs and NGOs, are defined.	
<i>Rating :</i>	
<i>Comments:</i>	
1.3 Knowledge Sharing/Lessons learned	Reviewer: Project Appraisal officer
1.3.1 Reference is made to evaluation recommendations and lessons learned from other projects implemented in the same sector or in similar environments, and such lessons are reflected and incorporated in the project.	
1.3.2 The way in which information generated by the project, evaluation and lessons learned will be captured and shared with stakeholders and partners, is planned for in the activities/outputs.	
<i>Rating:</i>	
<i>Comments:</i>	
2. Feasibility	
2.1 Technical clearance	Reviewer: LTU
2.1.1 The necessary technical inputs are compatible and sufficient to achieve the project outcome and outputs.	
2.1.2 Technical inputs are consistent with FAO policies and standards.	
2.2 Results Based Management, including Risk Management	Reviewer: Project Appraisal officer
2.2.1 The project contributes to the improvement in the food and nutrition security of the least privileged population groups.	
2.2.2 The project's outcome and outputs reflect the needs, priority and constraints of both women and men.	
2.2.3 Risks Assessment Matrix has been completed and mitigation measures for the identified risks have been included.	

2.2.4 Results - Outcome and Outputs - have been formulated at the right level, are relevant and achievable within the proposed time frame. SMART indicators (including sex-disaggregated ones) are used to allow for their measurement. Baseline and targets are defined.	
2.2.5 Adequate human and financial resources are allocated to project monitoring.	
<i>Rating :</i>	
<i>Comments:</i>	
2.3 Financial clearance	Reviewer: CSF
2.3.1 The project document was reviewed in accordance to the procedure: “PGP005- Financial review and clearance of extra-budgetary projects” and its checklist on project financial clearance have been completed.	
<i>Rating :</i>	
<i>Comments:</i>	
2.4 Legal Clearance	Reviewer: LEG
2.4.1 Clearance of the document by FAO’s Legal Office was obtained.	
<i>Rating :</i>	
<i>Comments:</i>	
2.5 Operational Clearance	Reviewer: PTF Convenor, TCSR, TCE or Regional office ⁴⁹
2.5.1 Project document, including budget, comply with resource partner’s specific requirements.	
2.5.2 PSC rate established according to corporate/resource partner policy.	
2.5.3 Budget adequately covers the envisaged activities (Management, oversight, TSS, Monitoring and evaluation).	
2.5.4 Arrangements for technical and operational backstopping are clear and properly budgeted	
2.5.5 Project reporting requirements are clearly described and budgeted (specifically progress reports and terminal report).	
2.5.6 Evaluation is properly budgeted, as summarized in section 2.6 of the Project Document.	
2.5.7 The provision for security is budgeted under the correct line according to the latest guidance from OSP.	
2.5.8 If the use of HACT is envisaged for the Project/Programme, approval from ADG/TC, in consultation with the ADG/RR, has been obtained for its implementation.	
2.5.9 Project allows for adequate flexibility for redefinition and improvement of components or strategy to respond to complex and changing realities, including if necessary, flexibility to review the results and logical framework outputs.	
<i>Rating :</i>	
<i>Comments:</i>	

⁴⁹ Budget holder for TC project under USD 500.000. TCSR and regional offices for Interregional, global and normative projects TC projects above USD 500.000. Budget holder and SFPO for national, sub regional and regional projects, TCE for emergency projects. OSP for projects with PSC rate under 13%. Reference to FPC 2007/09 operational clearance of projects proposals.

3. Sustainability	
3.1 Gender Equality	Reviewer: Project Appraisal officer
3.1.1 Gender equality considerations are included design to address the needs, priorities and constraints of both women and men. These take into account their differentiated roles, interests, responsibilities, knowledge and experience, consider stereotypes and/or structural barriers and aim at ensuring that women and men will equitably participate in and benefit from the project and that existing gender inequalities will not be reinforced or reproduced by the intervention.	
3.1.2 E Project was scored against the IASC Gender Marker (for project applying to the Consolidated Appeal Process)	
3.1.3 The level of continued access/affordability of services by all types of participants, after completion of the project – women and men and the most disadvantaged including indigenous people and people living with HIV and AIDS – is determined.	
<i>Rating :</i>	
<i>Comments:</i>	
3.2 Environmental and social sustainability	Reviewer: NR and/or TCDM/ Regional office
3.2.1 The Initial Environmental Review (IER) has been performed and provides adequate explanation to the assigned environmental category of a project.	
3.2.2 Project has been design according to FAO Governing Principles. (EIA guidelines)	
3.2.3 The Environmental and Social Review Form has been performed and certified for Category C projects. (EIA guidelines)	
3.2.4 The Environmental Screening has been performed and certified for Category A and B projects. (EIA guidelines)	
3.2.5 The EIA report has been prepared and shared to all relevant stakeholders. (EIA Guidelines)	
<i>Rating :</i>	
<i>Comments:</i>	
3.3 Capacity Development	Reviewer: Project Appraisal officer
3.3.1 The three dimensions of capacity development (policy enabling environment, relevant organizations and individuals) are properly assessed, and resulting issues in all three dimensions are considered in project design.	
3.3.2 The project respects country priorities as laid out in CPF, National Agriculture Sector Plans and national development plans. With a view to make the project results sustainable, it uses national systems, organizations and procedures as much as possible.	
3.3.3 Capacity development efforts in the project go beyond technical areas and include soft skill development in areas such as planning, budgeting, partnering, negotiating, etc	
<i>Rating :</i>	
<i>Comments:</i>	

⁵⁰ Participation by people in policy issues, development and nation-planning; Accountability for states, legal and non-legal means; Non-discrimination to vulnerable groups, disaggregate data to see who enjoys what rights. Equality in law, opportunities and outcomes; State-Transparency in political processes by the media and public; Human dignity-respect; Empowerment-of people; Rule of law-tool for accountability.

3.4 HRBA	Reviewer: Project Appraisal officer
3.4.1 The project adopts the HRBA: it aims at the realization of human rights; applies human rights principles (PANTHER ⁵⁰); and promotes the concepts of rights and obligations.	
3.4.2 The project contributes in particular to achieving the right to adequate food, in accordance with international standards and based on the Right to Food Guidelines adopted by FAO in 2004. (http://www.fao.org/righttofood/)	
3.4.3 The project promotes decent rural employment, aiming at the progressive realization of the right to Decent Work for rural people, in accordance to the Decent Work Agenda endorsed by the UN World Summit of 2005 and by ECOSOC (http://www.fao-ilo.org/)	
3.4.4 E Humanitarian needs of the affected population have been assessed - FAO rapid assessment exercise/ UN needs assessment has been conducted.	
<i>Rating :</i>	
<i>Comments:</i>	
3.5 Technical sustainability and exit strategy	Reviewer: Project Appraisal officer
3.5.1 There is a defined exit/hand-over strategy.	
3.5.2 E The project supports an enabling environment for future transition strategies.	
<i>Rating :</i>	
<i>Comments:</i>	

Designation of Budget Holder

From: ADG/TC/ ADG/RR

To: Budget Holder

Cc: as relevant, the Heads of the Sub regional/regional offices/technical divisions involved, the Funding Liaison Unit, Project Task Force members.

The following project has been approved by the funding source(s) and recipient authorities and was approved by the FAO Project Appraisal Committee on (date).

(insert symbol and title of project and recipient country(countries)/organization, as relevant)

You are requested, with immediate effect, to **assume budget holder responsibility** for this project in full cognizance of, and in accordance with:

- your role and responsibilities as Project Task Force Chair;
- the **FAO corporate definition of a budget holder** “... a person who has been designated, by virtue of his/her Organizational position and/or through delegation, the responsibility for managing an area of work (in this case a project), including the related budget, for the agreed-upon results”. For the comprehensive definition, consult: <http://pires.fao.org/pires/Info/BudgetHolderFAO.pdf>;
- the expected results, related work plan and budget of the project as agreed in the project document and related project agreements with both the funding source and recipients;
- FAO corporate guidance on the project cycle, in particular, the implementation phase, available in the Project Cycle Guidelines;
- FAO rules, regulations and financial procedures, as set out in the relevant sections of the FAO Administrative Manual and procedural guidance of the Finance Division.

You are reminded of the responsibility to be fully cognizant of all the above areas, to seek to achieve the agreed results of the project, and to identify and manage risks that could affect the achievement of these results.

I wish you every success in the exercise of the above responsibilities.

(Scanned signature ADG/TC/ ADG/RR)

