THE BANK GROUP’S PARTICIPATION IN IMPLEMENTING THE ACTION PLAN (2011 – 2015) ON IMPROVING STATISTICS FOR FOOD SECURITY, SUSTAINABLE AGRICULTURE, AND RURAL DEVELOPMENT

ESTA Department

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I. Introduction

1.1 Over the past few years, the Bank has engaged in collaborative discussions with key partners, including the UN Economic Commission for Africa (ECA), the Food and Agricultural Organization (FAO), and the African Union Commission (AUC) to formulate an Action Plan for Africa of the Global Strategy for Improving Statistics for Food Security, Sustainable Agriculture and Rural Development (2011–2015). The heads of the four institutions have endorsed the Action Plan (see Annex 1).

1.2 The Bank’s participation in implementing the joint Action Plan for Africa will include i) mobilizing resources; ii) receiving and applying Global Trust Fund resources to activities under the Action Plan; iii) leading the Regional Steering Committee and hosting a regional secretariat; iv) entering into agreements with donors for the financing of regional activities; and v) participating in the Global Steering Committee and Global Executive Board responsible for the Global Strategy, which contextualizes the framework for the Action Plan for Africa.

1.3 The Board’s approval is being sought for the proposed institutional arrangements for the Bank’s participation in implementing the joint Action Plan for Africa.

II. ESTA’s experience in Statistical Capacity Building (SCB) program activities

2.1 In recent years, the Bank’s Statistics Department (ESTA) has steadily intensified its capacity-building activities in African countries. These efforts were bolstered in September 2004, following the approval of a grant of UA 14.75 million (equivalent to US$ 22.0 million) by the African Development Fund (ADF) Board of Directors, in support of the International Comparison Program for Africa (ICP-Africa) and the strengthening of statistical capacity on the continent. This drive to promote statistical development is in response to an urgent demand for reliable, timely, and harmonized data. Such data are needed by the Bank and other development organizations, as well as by regional member countries (RMCs) and academic and research institutions, for the monitoring and evaluation of progress on the Millennium Development Goals (MDGs), poverty reduction strategies, and other projects and programs designed to boost sustainable and inclusive growth across Africa. Statistical data form an integral part of the results agenda for development effectiveness, in conformity with the precepts of the Paris Declaration and the Accra Agenda for Action.

2.2 In November 2008, a further ADF grant of UA 17.85 million (equivalent to US$ 27.8 million) was approved to support the Statistical Capacity Building (SCB) program in 51 regional member countries (RMCs). Funding partners included the African Capacity Building Foundation (ACBF), the UK Department for International Development (DFID), and the World Bank.

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1 The Global Trust Fund will be administered by the Food and Agriculture Organization (FAO). The Global Trust Fund has been set up to support the implementation of the Global Strategy to improve Agriculture and Rural Statistics.

2 The International Comparison Program for Africa (ICP-Africa) is part of the global International Comparison Program (ICP) launched in 1970 as a statistical initiative to generate comparable price and expenditure data to facilitate cross-country comparisons of GDP and its sub-aggregates in real terms without price and exchange rate distortions. The ICP-Africa has been managed by the African Development Bank (AfDB) since 2002. Prior to this, ICP rounds for Africa were overseen by Eurostat. For the 2011 ICP round, there was broad support, with all African countries, except Somalia, registering their interest in participating.
2.3 In January 2012, the ADF Board approved UA 20 million (about US$ 31.7 million) for the Phase-3 Statistical Capacity Building Program (SCB.3) covering the period 2012-2013. The program is being co-financed by five other donors for a total estimated cost of UA 64.2 million (about US$ 101.10 million).

2.4 The Bank has over the past decade developed substantial comparative advantage in supporting statistical development activities in RMCs. Indeed, it has positioned itself as the largest single provider of resources and technical assistance in Africa for coordinated statistical capacity building at both regional and subregional levels. The Bank’s statistical building activities include:

- the development of a harmonized statistical methodology to generate a statistical infrastructure and approach tailored to the African environment;
- the adaptation of international statistical standards to suit conditions in individual RMCs;
- the provision of training to support the implementation of these standards;
- the harmonization of data generation practices and standards to ensure comparability of data across RMCs and globally (particularly for the monitoring of MDGs);
- the generation of infrastructure statistics and purchasing power parity statistics to inform the regional integration agenda;
- database development and dissemination; and
- the training of RMC officials to strengthen national statistical capacity.

These activities, which are of a regional and public good nature, also have a multiplier effect. The Bank’s participation serves as a catalyst to attract other donors, while inducing governments to prioritize statistics in their budgetary allocations. The Bank has been selective in its interventions and assumes a leadership role in areas where it has a comparative advantage. Such areas include: national accounts, price statistics, purchasing power parity (PPP) statistics, statistical development strategy design, infrastructure statistics, and MDGs monitoring. The Bank also plays a catalytic role in the other statistical activities, including mobilizing support for capacity-building activities from other partners.

2.5 In the area of agricultural statistics, the Bank has since 2010 spearheaded the formulation of an Action Plan to Improve Statistics for Food Security, Sustainable Agriculture and Rural Development in Africa in recognition of the paucity of data in this area. The importance of food security looms large against a backdrop of rising world food prices, rapid population growth, urbanization, and the challenge of climate change. As a result, food security has risen to the top of the development agenda both in Africa and internationally.

2.6 The Bank has also led efforts to mobilize resources for the implementation of the Action Plan. This has resulted in the mobilization of about GBP 16 million and US$ 15 million from DfID and the Bill & Melinda Gates Foundation respectively to support work in Asia and Africa over the period 2012-2016. Furthermore, following ESTA’s successful mission to the European Commission Headquarters in Brussels on 20 September 2012, the European Union Commission’s Directorate for Development and Cooperation (EuropeAid) has indicated its readiness to contribute resources to the Action Plan in 2013 and to the Bank’s Statistical Capacity Building Program in 2014. An internal consultation process has been initiated to determine the level of support and the targeting of statistical activities they wish to fund. Plans are also underway to mobilize additional resources from other partners, including African countries.
III. Background and Rationale

3.1 In many African countries, agricultural statistical systems and the data they produce are sorely inadequate. The systems are weak, uncoordinated, insufficiently resourced, and essentially unsustainable. Further, their outputs are lacking in terms of quantity, quality (i.e. accuracy, consistency between sources, and timeliness), and dissemination. One reason for the poor performance of national statistical systems is that in many cases agricultural data are neither centralized nor well-coordinated. Instead they are scattered among the disparate institutions that produce them and are not shared with other data users. Moreover, in many African countries there is a lack of qualified statistical personnel in the National Statistical Offices (NSOs), highlighting a need for better training to boost statistical skills capacity. Africa is not alone in this respect: a similar situation exists in many other developing regions.

3.2 It is against this backdrop that a Global Strategy to Improve Agriculture and Rural Statistics was endorsed in February 2010 by the 41st session of the United Nations Statistical Commission (UNSC) to provide technical content and strategic direction. The Global Strategy addresses a number of issues, including: (a) the weak organizational structure and coordination in RMCs for the generation, analysis, management, and dissemination of agricultural statistics; (b) the declining quantity and quality of agricultural statistics in developing countries; (c) new data requirements to inform policy on emerging and urgent development issues such as food vs. bio-fuels production, global warming, environmental sustainability, and food security; and (d) the requirement for the data systems to be harmonized and integrated to achieve synergy and cost-effectiveness.

3.3 In the context of the UNSC initiative, the Bank organized a conference of global development partners in Tunis in February 2010 on the theme, “The Global Strategy for Improving Agricultural Statistics.” This provided a forum to discuss modalities and arrangements going forward, toward a coordinated Action Plan for Africa. Subsequently, a worldwide consultation on the first drafts of the Global and African Action Plans was held at the Fifth International Conference on Agricultural Statistics (ICAS-V) in Kampala, Uganda, in October 2010, attended by 300 senior experts in agricultural statistics from 77 countries. A progress report on the preparation of the Action Plan was also presented to the 42nd session of the United Nations Statistical Commission (UNSC) in New York in February 2011. The Action Plan was also presented and endorsed by the 37th session of the FAO Conference in Rome in June/July 2011, the Resource Partners meeting in Rome in October 2011, the 22nd Session of the African Commission for Agricultural Statistics (AFCAS) in Addis Ababa in November/December 2011, and the Third Statistical Commission for Africa (StatCom-Africa III) in Cape Town in January 2012. Indeed, the Global Action Plan has recognized that “Africa is the first region to initiate the implementation of the Global Strategy with a well-developed Action Plan being put into place.” Hence other regions in the world will benefit from Africa’s experience.

3.4 With regard to resource mobilization, the first and second meetings of the Regional Steering Committee were held in Tunis in July 2011 and in Yamoussoukro, Côte d’Ivoire, in November 2012 respectively. In collaboration with FAO, consultations have also been undertaken with major donors (principally the Bill and Melinda Gates Foundation (BMGF) and DFID), both of whom have pledged to make contributions to the Global Trust Fund (see § 2.6). In addition, a

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donors’ conference was held in Rome on October 28, 2011 with a view to leveraging further resources. In this respect, good progress continues to be made.

IV. Purpose and expected outcomes of the Action Plan for Africa

4.1 The purpose of the Action Plan for Africa is to strengthen the institutional and organizational architecture to improve the quality of agricultural statistics. This includes integrating agriculture into National Statistical Systems (NSSs), in support of a results agenda.

4.2 The expected outcomes of the Action Plan for Africa are based on the three pillars of the Global Strategy, namely:

- improvements in the coverage and quality of the minimum core data set, focusing on both national and regional priority data needs;
- greater integration of agricultural statistics into the NSSs; and
- the increased and sustained capacity of NSSs to meet future users’ needs.

4.3 In particular, it is expected that by the end of the Plan’s first five-year phase\(^5\) the following outcomes will have been achieved:

- 50 percent of African countries will be able to produce a minimum core data set to meet the current and emerging statistical demands of the various stakeholders;
- 50 percent of African countries will have integrated agriculture into their NSSs in order to meet the needs and expectations of policymakers and other data users, ensuring that the data are comparable across countries and over time. The integration will be achieved by implementing a common set of methodologies; and
- 50 percent of the National Agricultural Statistical Systems will achieve sustainability, due to improved governance and statistical capacity building.

4.4 The availability of accurate agricultural data, comparable over time, will bring a number of positive impacts. It will allow farmers to make better production and marketing choices and thus boost agricultural productivity and incomes. Higher-quality data will also allow countries to develop more effective agricultural policies, and to monitor and evaluate progress in this area. Improved data will also enable national governments to take measures to stave off major food crises. This is because greater knowledge about crop production, livestock production, trade, stock, and animal feed will serve as the building-blocks to estimate food availability in the countries and to address food vulnerability issues.

4.5 Over the long term, the Action Plan should result in a broad range of positive benefits for statistical development in Africa, including the following:

- Advanced and cost-effective methodologies, tools, and standards aimed at improving agricultural statistics in Africa will be developed and disseminated. These will take the form of methodological guidelines, handbooks, and the documentation of good practices;
- The institutional, organizational, and technical capacities of National Agricultural Statistical Systems will be strengthened, leading to improved data quality and usage;
- Agricultural data will be produced, harmonized, managed, analyzed, and disseminated;
- RMCs will be able to carry out detailed training needs analysis in agricultural statistics;
- The capacity of training centers to supply high-quality education and training in subjects relevant to agricultural statistics will be enhanced and sustained; and

\(^{5}\) To be counted from the actual starting date of the Action Plan implementation.
Solutions to African statistical methodological problems will be prepared, peer-reviewed, and validated by experts.

V. Proposed implementation governance structure and decision-making process

5.1 The Action Plan will be implemented through governance arrangements structured as follows (also see Annex II):

- **A Regional Steering Committee (RSTC) chaired by the Chief-Economist and Vice-President of the AfDB** will serve as the decision-making body of the Action Plan, to include both users and producers of statistics.6
- **A Regional Implementation Secretariat (RIS) will be hosted by the AfDB** under the overall leadership of a Regional Implementation Secretary/Coordinator. It will include the three Technical Component leaders (the Bank, FAO, and ECA). The RIS will facilitate communications between implementing entities.
- **A National Agricultural Statistics Committee (NASC)** will serve as a high-level policymaking body with members appointed from the respective Ministry of Agriculture at the national level. It will be considered as one of the standing user/producer committees to enhance the role of data users in national statistical development.
- **National Strategy Coordinator (NSC).** The NSC will handle administrative/financial and technical work related to the implementation of the Action Plan. S/he will be expected to work closely with the Regional Implementation Secretary and other stakeholders to ensure that the Action Plan is properly implemented.
- **A National Technical Working Team** of up to seven national experts from different domains of the agricultural sector will be assembled to assist the NSC. The domains include crops, livestock, forestry, fisheries, environment and natural resources, and nutrition and food security. The team will work closely with the Technical Assistance Coordinator.

5.2 The Regional Implementation Secretariat (RIS), which will be hosted by the Bank, will comprise five staff, namely:

- Regional Implementation Secretary/Coordinator;
- Finance Officer;
- Technical Assistance (TA) Coordinator;
- Monitoring and Evaluation Officer; and
- Operational and Administrative Assistant.

5.3 In addition, the Secretariat will include two staff who will be seconded and employed by ECA (Training Coordinator) and FAO (Research Coordinator) respectively, to manage their components in the Action Plan. These staff will not be physically based at the Secretariat (within the AfDB).

5.4 The Bank’s Statistics Department will act as the Secretariat for the RSTC. The functions of the RSTC are to review and approve the Annual Work Plans and associated budgets submitted by

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6The RSTC comprises members of the African Statistical Coordination Committee (ASCC) (viz. AfDB, AUC, ACBF, and ECA), African Friends of the Chair of the UN Statistical Commission (Morocco, Uganda, Ethiopia, and Senegal), the Chair of StatCom-Africa, the Chair of the African Commission on Agricultural Statistics (AFCAS), Statistical Training Centers (1 representative), Ministries of Agriculture (2 representatives), Research Agriculture Institutions (1 representative), FAO, and donors (DFID, Bill and Melinda Gates Foundation, World Bank, and USDA).
ECA and AfDB for the Training and Technical components and the Governance mechanism of the Action Plan. The work plans will constitute both regional and demand-driven country activities (national implementation plans), prioritized and aligned to the national strategy for development of statistics (NSDS) in the agriculture sector. The RSTC will allocate resources to prioritized activities in accordance with the available resource envelope.

5.5 The RSTC will submit the approved Annual Work Plan to the Global Executive Board (GEB),\(^7\) which reports to the Global Steering Committee (GSC).\(^8\) The GEB on behalf of the GSC reviews the work plan and associated budget, approves funds and instructs the Fund Administrator on amounts to be disbursed to the Regional Implementation Secretariat (RIS). Any modification or variation of the approved Annual Work Plan that may be necessary (e.g. content, sequencing or the duration of program activities) will be undertaken by the implementing agencies (AfDB and ECA) and brought before the Regional Steering Committee for ratification. Once the modifications are ratified, the RSTC will notify the GSC through the GEB.

5.6 Going forward, before the expiry of the project, it will be critical for the Bank to allocate a staff position as a way of building internal capacity in agricultural statistics and to ensure the effective supervision of the activities of the Secretariat (and the sustainability of capacity and achievements attained in RMCs). S/he will report to the ESTA.2 Division Manager, Statistical Capacity Building Division. Other Secretariat members will comprise project staff that will be paid from the Global Trust Fund administered by the FAO, in accordance with the Action Plan budget. Upon completion of the project, the hired staff will cease to be members of the secretariat.

5.7 During the implementation of the program, relevant Task Managers for Agriculture and Department Managers will allocate some of their time to work on the implementation of the Action Plan on a needs basis.

VI. **Main beneficiaries of the program**

6.1 The program’s beneficiaries will be all the producers and users of official agricultural statistics in RMCs. These include: administrative units and line ministries; national policymakers; businesses and investors; researchers and analysts; citizens of RMCs; and development partners at the national and regional levels, including the Bank itself. Other beneficiaries will include national statistical agencies in general and the national agricultural statistical systems in RMCs.

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\(^7\) The Global Executive Board (GEB) is a subgroup of the GSC from which it receives delegated authority to oversee the execution of the decisions. It carries out GSC’s functions in the interim between the GSC annual meetings providing, in particular, policy direction to the global activities for the implementation of the Plan. It is composed seven members.

\(^8\) Global Steering Committee (GSC): is composed by the Chair of the UNSC, country representatives of the Regional Steering Committees (two per region), representatives of international and regional organizations, resource partners, farmers’ associations and other key users, as well as key technical partners and the FAO. The GSC is the ultimate decision-making body for the Global Trust Fund in compliance with the conditions stipulated in the agreements between the Fund Administrator (FAO) and individual Resource Partners.
VII. Value-added provided by the Bank and risk mitigation

7.1 The implementation of the Action Plan will complement the current activities conducted by the Bank through its Statistical Capacity Building program (SCB) managed by ESTA. The added-value is evidenced as follows:

- Additional resources will be mobilized through the participation of external partners and donors. To date, commitments have been made as follows:
  
  i) *UK’s Department for International Development (DfID)*: has pledged a contribution of GBP 16 million to the Global Trust Fund in support of the implementation of the Global Action Plan. This will help fund global activities, including regional and country activities in Africa and Asia.

  ii) *Bill & Melinda Gates Foundation (BMGF)*: has pledged about US$ 15 million to the Global Trust Fund for strategic activities.

  iii) *The European Union Commission’s Directorate for Development and Cooperation (EuropeAid)* has indicated its readiness to contribute resources to the Action Plan in 2013. The EU has initiated internal consultations to determine the level and targeting of that support.

- Additional expertise will be leveraged from international partners. In this respect, the FAO will be responsible for research, while ECA will focus on training in Africa. Each implementing agency will develop its own work program, which will complement the programs of other partners.

7.2 Participation in the Action Plan for Africa is beneficial to the Bank’s profile for two key reasons. First, it enhance the Bank’s visibility on global strategic issues. Agricultural statistics are critical for Africa’s development, since agriculture is the dominant economic activity. With the imminent challenge of climate change and its deleterious impacts on farming and farming communities, together with recent volatility in global food prices which affects consumers both regionally and worldwide, this initiative has even greater resonance for the continent. Second, the Bank’s participation in this global initiative complements its other activities that target food security and trade promotion.

7.3 The African Action Plan incorporates a risk management system that identifies possible obstacles to the realization of expected outcomes. The system also proposes mitigating measures to minimize risks that might jeopardize the success of the initiative. A key risk is that the initiative may fail to attract more donors and an adequate level of resources. This will be mitigated by continuous advocacy and resource mobilization efforts by the Bank and all other concerned stakeholders. At the same time, an implementation strategy has been developed based on a phased approach over the Action Plan period. This implementation strategy highlights different scenarios, prioritizing activities to be implemented according to different levels of available resources.

VIII. Implementation, financing, administration, Monitoring and Evaluation (M&E), and reporting arrangements

8.1 Activities to be implemented under the Action Plan include but are not limited to the following: providing technical assistance to countries to ensure that agricultural statistical activities conform to international standards and follow established technical and methodological guidelines; project backstopping missions; organizing training workshops; supporting the
national governance structures (expert and technical meetings); development of Sector Strategic Plans for Agricultural Statistics for mainstreaming agriculture into NSDS, etc.

8.2 The Action Plan envisages the following financing mechanisms (see Annex III – Financial Flow and Global Decision-making Structure):

- **Grants from the Global Trust Fund** administered by FAO (using pass-through fund mechanism). To this end, a Memorandum of Understanding between the FAO (who is the Global Fund Administrator) and the Bank has been negotiated (see Annex IV). In order to effectively implement the Action Plan, the Bank will receive donor funds via the Global Trust Fund based on the approved work plan and budget submitted to the Global Steering Committee. In turn, the Bank will disburse these funds to support activities in RMCs, as articulated in the work plan, as well as to provide them with demand-driven technical assistance. The Bank will account for all funds received and submit a statement of account to the FAO;
- **Bilateral grants to the AfDB** in direct support of the planned activities in RMCs and
- **ADF funds provided under the Statistical Capacity Building program Phase III (2012-2013)**. The Bank will allocate some of these funds to complement specific areas/activities that are not adequately covered under the Global Trust Fund.

8.3 With regard to financial administration, monitoring and evaluation, and reporting arrangements, the Bank will administer and account for the funds received from the Global Trust Fund in accordance with its financial regulations and other applicable rules, procedures, and practices. The same principles will apply to bilateral grants made directly to the Bank from donors. In so doing, the Bank will draw upon its prior experience in implementing similar arrangements (viz., ICP and SCB programs).

8.4 The Bank will utilize the best practices gained from the SCB program to ensure full accountability. It will use the Bank’s internal disbursement and procurement rules, including the approval requirements as per the Delegation of Authority Matrices based on the Presidential Directive No. 06/2012. All procurement of goods and works and the acquisition of consulting services will be in accordance with the Bank’s Rules and Procedures for the Procurement of Goods and Works or, as appropriate, Rules and Procedures for the Use of Consultants. The Regional Implementation Secretariat at the AfDB will be responsible for the management of the procurement of goods, consulting and non-consulting services.

8.5 Procurement of office supplies, IT equipment and software, etc. for the RIS will be in accordance with the Bank’s internal procurement procedures, based on Presidential Directive No. 004/2000.

8.6 Disbursements: Grants to RMCs will be disbursed based on the national implementation plans. These plans will be reviewed and supported by the national coordinating committee before submission to the RSTC. In many cases an initial grant may be provided to support the preparation of detailed implementation plans for the agriculture sector. Further disbursements will be triggered by RMCs achieving agreed milestones or targets.

8.7 Mid-year and annual reports will be generated and submitted to the Global Trust Fund.

8.8 The Governance Mechanism and Technical Assistance (including the Country Assessment) component will be carried out under the direction of the ESTA Director. Accountability will be upheld through the following modalities:
• Continuous and rigorous results-based monitoring and supervision of activities and expenditures;
• Regular reporting by the Secretariat to donors and/or the Fund Administrator of the Global Trust Fund with regard to activities and financial transactions undertaken;
• Technical and consultation meetings to be held to improve performance and geographical coverage;
• Organization of training programs and workshops jointly with ECA to exchange knowledge and experience, and to establish useful networks of practice;
• Audit reports (when required, and in accordance with Bank Financial Regulations and Rules) will be prepared and submitted by an independent institution acceptable to the Bank. The cost of the audit reports will be met by the Global Trust Fund; and
• Preparation and submission of midterm reviews, including project completion reports.

8.9 The Bank will keep an account of the expenses incurred in the implementation of the Action Plan and will allocate 5 percent of the funds received to meet the costs of carrying out the approved Annual Work Plan. The FAO, as the Administrator of the Global Trust Fund, will levy a fee of 2% of the amount transferred to the Bank in order to meet the costs of administration and other related functions.

IX. Conclusion

9.1 The implementation of The Action Plan on Improving Statistics for Food Security, Sustainable Agriculture and Rural Development will focus on the effective design, formulation and implementation of agricultural development strategies and programs in Africa. The Action Plan is central to the strategic agenda of the Bank, and to the international community more broadly, in its emphasis on measurement for development results and development effectiveness. The Bank’s participation and hosting of the regional Secretariat underscores its leadership in coordinating statistical development and advocacy in RMCs. Agricultural development is the life-blood of African economies and constitutes a key strategic pillar in the medium to long-term strategies of the Bank and RMCs.

9.2 Participation in the Action Plan will provide the Bank with additional grant resources to deliver rapid support to countries with a view to improving their Agricultural Statistics Information systems.

X. Recommendation

The Boards of Directors are invited to approve the institutional arrangements for the Bank’s participation in the implementation of the Action Plan for Africa (2011–2015) for Improving Statistics for Food Security, Sustainable Agriculture and Rural Development, as set out in this proposal.

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9 Period of five years to be counted from the actual starting date of the program.
Annex I – Copy of the Foreword of the Action Plan for Africa

FOREWORD

Agriculture is a crucial sector for reducing poverty and achieving the Millennium Development Goals (MDGs) in Africa. Indeed, all the MDGs have direct or indirect linkages to agriculture. That is why in 2003, and as part of the continent’s renewal, African Heads of State and Government adopted an Africa-owned and led initiative, namely the Comprehensive Africa Agricultural Development Program (CAADP), to assist their countries to revitalize agriculture development as a strategy for achieving the prime Millennium Development Goal of halving the number of hungry and poor by 2015. We are happy to state that our respective institutions have aligned their food security and agriculture development support in Africa with the CAADP principles and targets.

Many African countries continue to face the related challenges of eradicating poverty and finding sustainable solutions to malnutrition and food insecurity. For most of them, poverty and food insecurity are fundamentally rural phenomena. The large majority of the poor and undernourished people live in rural areas and are dependent on rural-based activities for their livelihoods. Therefore, any strategy geared to achieving significant reductions in poverty and food insecurity in Africa must concentrate on rural areas and rural populations. Furthermore, for these efforts to achieve the expected results, they must be based on accurate information, focus on the right targets, and have their results regularly assessed. In this respect, decisionmakers need timely and reliable data to analyze constraints, identify benchmark indicators, set quantifiable objectives, monitor implementation, and measure the impact of policies and programs. Yet, despite the unquestionable importance of agriculture and the rural economy, it is arguably the least-known sector of the economy, in terms of hard facts and statistics.

Unfortunately, at present, many African countries do not have in place adequate systems to collect, store, and disseminate food and agricultural statistics. Moreover, they lack the capacity to utilize the information that is available for analytical studies, despite the increasing demand from data users both nationally and internationally. Even where data are available, their reliability is often questionable. In particular, national agricultural statistical systems in Africa remain weak, underresourced, underperforming, and in need of strengthening. A number of factors account for this situation, including inadequate investment in building statistical capacity and infrastructure; the lack of a concerted and harmonized strategy for development partners; and failure to integrate agriculture into the national statistical systems. At the same time, the tools available for data collection and dissemination have undergone rapid changes and technological development in the context of the global information age. We must therefore harness this technology to improve our food and agricultural information base.

It is commendable that the international statistical community has taken the initiative to address these shortcomings by agreeing on a Global Strategy for Improving Agricultural and Rural Statistics. It is gratifying that Africa is the first region to develop an Action Plan for Improving Statistics for Food Security, Sustainable Agriculture, and Rural Development in line with the Global Strategy. Our institutions are fully committed to supporting the execution of the Action Plan and we appeal to all African governments and institutions as well as development partners to support it. The fight against poverty and hunger has to be won and won quickly. Working together, we can end food insecurity, poverty and underdevelopment, and ensure sustainable agriculture and rural development across the continent.

Donald Kaberuka
President

Jean Ping
Chairperson

Abdoull Janneh
UN Under-Secretary-General and Executive Secretary

Jacques Diouf
Director General

African Development Bank Group
African Union Commission
UN Economic Commission for Africa
Food and Agriculture Organization of the United Nations
Annex II – Governance structure of the Action Plan for Africa
Annex III – Financial Flow and Global Decision-making Structure

Financial Flow

Global decision-making structure

Decision Flows
Reporting Line
Technical Support
Annex IV – Memorandum of Understanding (latest version – still to be signed)

Global Trust Fund

to support the implementation of the Global Strategy to improve Agricultural and Rural Statistics

Memorandum of Understanding

between

Participating Partners

and

Food and Agriculture Organization of the United Nations

WHEREAS, the Participating Partners signing this Memorandum of Understanding or the Letter of Participation attached as Annex 1 (hereinafter referred to collectively as the “Participating Partners”) have adopted the Global Strategy to improve agricultural and rural statistics (Annex 2) (hereinafter referred to as “the Global Strategy”) to be implemented through a global trust fund starting in August 2012 and ending in August 2017 (hereinafter referred to as the “Global Trust Fund”), as part of their respective development cooperation, as more fully described in the action plan of the Global Strategy to Improve Agricultural and Rural Statistics for Food Security, Sustainable and Agriculture, and Rural Development (hereinafter referred to as the “Global Action Plan”, a copy of which is attached hereto as Annex 3;

WHEREAS, a coordination mechanism has been established, whose terms of reference are stated in Appendix F Annex 3, (to facilitate the effective and efficient collaboration between the Participating Partners for the implementation of the Global Trust Fund. This coordination mechanism will be led by the “Global Steering Committee” or “GSC” and its designated Global Executive Board or “GEB”, which shall exercise such functions as may be delegated to it by the GSC;

WHEREAS, the Participating Partners have agreed that they should adopt a coordinated approach to collaboration with Resource Partners who wish to support the implementation of the Global Strategy and have developed the Global Action Plan to use as the basis for mobilising resources for the Global Trust Fund, and have further agreed that they should offer Resource Partners the opportunity to contribute to the Global Trust Fund and receive reports on the Global Trust Fund through the Fund Administrator whose terms of reference are stated in are stated in Appendix G of Annex 3;

WHEREAS, in accordance with the rules of Food and Agriculture Organization of the United Nations (FAO), the Director-General may accept voluntary contributions and may establish trust funds to cover the contributions received for special purposes, which are consistent with the policies, aims and activities of FAO;

WHEREAS, the thirty-seventh session of the Conference of the FAO endorsed the Global Action Plan and the Director General established an account to receive the funds for the implementation of the Global Strategy on 21 March 2012;

WHEREAS, the Participating Partners have further agreed to ask the FAO (which is one of the Participating Partners in connection with the Global Trust Fund) to serve as the Fund Administrator
between the Resource Partners and the Participating Partners and for these purposes, FAO has agreed to do so in accordance with this Memorandum of Understanding.

NOW, THEREFORE, the Participating Partners and FAO hereby agree as follows:

**Section I**

**Appointment of Fund Administrator; its Status, Duties and Fee**

1. The Participating Partners hereby appoint FAO (hereinafter referred to as the “Fund Administrator”) to serve as their Fund Administrator in connection with the Global Trust Fund, in accordance with the terms and conditions set out in the TORS stated in Appendix G of Annex 3. The Fund Administrator accepts this appointment on the understanding that the Participating Partners assume full programmatic and financial accountability for the funds received from the Fund Administrator. The Participating Partners will give effect to their accountability by acting in full compliance with their regulatory frameworks, and through submission of progress reports to the Fund Administrator who will eventually submit the progress reports to the Global Steering Committee for final endorsement (as per the Detailed Governance Framework).

In the event that disputes and controversies arise, consultations will take place at the Global Steering Committee level. In the event that the consultations fail, and the procedures prescribed in sub-paragraph 6 and 7 of section III have been exhausted, the Resource Partners of the Global Trust Fund shall have the ability to seek direct recourse from a Participating Partner for any breach or enforcement of the terms of the implementation of agreed activities or administration of related funds. Such recourse shall be subject to any privileges and immunities of the Participating Partner, shall be conducted in a manner agreed between the Resource Partner and the Participating Partner, and shall be limited to the amount equivalent to the percentage of funds contributed by the Resource Partner and transferred to the Participating Partner.

2. The Global Steering Committee may request any of the Participating Partners to perform additional tasks in support of the Global Trust Fund not related to the Fund Administrator functions. Costs for such tasks will be agreed in advance and with the approval of the Global Steering Committee be charged to the Global Trust Fund as direct costs.

3. The Fund Administrator will enter into an agreement with each Resource Partner that wishes to provide financial support to the Global Trust Fund through the Fund Administrator.

4. None of the Participating Partners will be responsible for the acts or omissions of the Fund Administrator or its personnel, or of persons performing services on its behalf, except in regard to its respective contributory acts or omissions. With respect to contributory acts or omissions of the Participating Partners, the resulting responsibility will be apportioned among them or any one of them to the extent of such contributory acts or omissions, or as may otherwise be agreed. In addition, Resource Partners will not be responsible for the activities of any person employed by the Participating Partners or the Fund Administrator as a result of this Memorandum of Understanding.

5. The Fund Administrator will be entitled to allocate an administrative fee of two percent (2 percent) of the amount transferred to the Participating Partners, to meet the Fund Administrator’s costs of performing the Fund Administrator’s functions as described in this Memorandum of Understanding.

6. Where the Fund Administrator is also a Participating Partner, a clear delineation, including distinct reporting lines and an accountability framework, will be established and maintained between its functions as Fund Administrator and its functions as a Participating Partner.
Section II
Financial Matters

The Fund Administrator

1. The Fund Administrator will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received pursuant to agreements with the Resource Partners (hereinafter, the “Fund Account”). The Fund Account will be administered by the Fund Administrator in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest. The Fund Account will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Fund Administrator.

2. The Fund Administrator will not absorb gains or losses on currency exchanges which will increase or decrease the funds available for disbursements to Participating Partners.

3. Subject to the availability of funds, the Fund Administrator will make disbursements from the Fund Account based on instructions received from the Global Executive Board, in line with the strategic allocation decided by the Global Steering Committee and budget set forth in the approved Annual Work Plan submitted by the Participating Partners. The disbursements will consist of direct and indirect costs as set out in the budget.

4. The Fund Administrator will normally make each disbursement within three (3) to five (5) business days after receipt of the relevant approved Annual Work Plan, in accordance with the instructions received from the Global Executive Board in line with the signed Memorandum of Understanding. The Fund Administrator will transfer funds to each Participating Partner through wire transfer. Each Participating Partner will advise the Fund Administrator in writing of the bank account for transfers pursuant to this Memorandum of Understanding. When making a transfer to a Participating Partner, the Fund Administrator will notify that Participating Partner’s Treasury Operations of the following: (a) the amount transferred, (b) the value date of the transfer; and (c) that the transfer is from FAO in respect of the Global Trust Fund pursuant to this Memorandum of Understanding.

5. Where the balance in the Fund Account on the date of a scheduled disbursement is insufficient to make that disbursement, the Fund Administrator will consult with the Global Executive Board and make a disbursement, if any, in accordance with the Global Executive Board’s instructions.

The Participating Partners

6. Each Participating Partner will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Fund Administrator from the Fund Account. That separate ledger account will be administered by each Participating Partner in accordance with its own regulations, rules, directives and procedures, including those relating to interest. That separate ledger account will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Participating Partner concerned.

7. Each Participating Partner will use the funds disbursed to it by the Fund Administrator from the Fund Account to carry out the programmatic activities for which it is responsible as set out in the approved Annual Work Plan, as well as for its indirect costs. The Participating Partner will commence and continue to conduct operations for the programmatic activities only upon receipt of disbursements as
instructed by the Global Executive Board. The Participating Partners will not make any commitments above the approved budget in the Annual Work Plan as approved by the Regional Steering Committee and endorsed by the Global Steering Committee. If there is a need to exceed the budgeted amount, the Participating Partner concerned will submit a supplementary budget request to the Global Executive Board. The parties acknowledge that any change of more than 10 percent of the budget indicated in the Annual Work Plan shall be approved in advance and in writing by the Global Steering Committee.

Each Participating Partner may allocate 5 percent of the funds received from the Fund Administrator to meets its costs of carrying out the approved Annual Work Plan. FAO as Participating Partner may allocate a maximum fee of 7 percent of the funds it receives as Participating Partner.

Section III
Activities of the Participating Partners

1. The implementation of the programmatic activities of the Annual Work Plan assigned to each participating partner will fall under each Participating Partner’s responsibility and will be carried out by each Participating Partner in accordance with its applicable regulations, rules, directives and procedures. On the termination or expiration of this Memorandum of Understanding, the matter of ownership of supplies and equipment will be determined in accordance with the regulations, rules, directives and procedures applicable to such Participating Partner.

2. Any modifications to the scope of the approved Annual Work Plan including as to the nature, content, sequencing or the duration of programmatic activities will be subject to prior approval of the corresponding Regional Steering Committee. The Participating Partner will promptly notify to the Fund Administrator through the Global office 10 of any change in the budget as set out in the Annual Work Plan.

3. Where a Participating Partner wishes to carry out its programmatic activities through or in collaboration with a third party, it will be responsible for discharging all commitments and obligations with such third parties, and no other Participating Partner, nor the Fund Administrator, will be responsible for doing so.

4. In carrying out their programmatic activities, none of the Participating Partners will be considered as an agent of any of the others and, thus, the personnel of one will not be considered as staff members, personnel or agents of any of the others. Without restricting the generality of the preceding sentence, none of the Participating Partners will be liable for the acts or omissions of the other Participating Partners or their personnel, or of persons performing services on their behalf.

5. Each Participating Partner will advise the Fund Administrator, through the Global Office, in writing when all programmatic activities for which it is responsible under the approved Annual Work Plan have been completed.

6. The Participating Partners recognize that the Resource Partners reserve the right to discontinue future contributions if reporting obligations are not met as set forth in the agreements with Resource Partners; or if there are substantial deviations from agreed plans under the Annual Work Plan and budgets.

7. Before withholding future contributions or requesting recovery of funds and credit to the Fund Account under paragraph 6, a Resource Partner shall request the Global Steering Committee to address

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10 Final endorsement of the annual work plan will follow the procedure laid out in the Detailed Governance Framework.
the matter with the Fund Administrator, and the concerned Participating Partner, with a view to a prompt resolution. Where the Global Steering Committee informs the Resource Partner that it is unable to obtain a satisfactory resolution of a matter, the Resource Partner may discontinue future contributions.

8. If it is agreed among the Global Steering Committee, the Fund Administrator and the concerned Participating Partner that there is evidence of improper use of funds, the Participating Partner will use its best efforts, consistent with its regulations, rules, policies and procedures to recover any funds misused. The Participating Partner will, in consultation with the Global Steering Committee and the Fund Administrator, credit any funds so recovered to the Fund Account or agree with the Global Steering Committee to use these funds for a purpose mutually agreed upon.

9. The Participating Partners recognize that it is important to take all necessary precautions to avoid corrupt, fraudulent, collusive or coercive practices. To this end, each Participating Partner will maintain standards of conduct that govern the performance of their staff, including the prohibition of corrupt, fraudulent, collusive or coercive practices, in connection with the award and administration of contracts, grants, or other benefits, as set forth in their Staff Regulations and Rules and Financial Regulations and Rules, including regarding procurement. In the event that a Participating Partner determines that an allegation in relation to the implementation of programmatic activities including that corrupt, fraudulent, collusive or coercive practices may have taken place is credible enough to warrant an investigation, it will promptly notify the Global Steering Committee and the Fund Administrator, to the extent that such notification does not jeopardize the conduct of the investigation. The allegation will be dealt with in accordance with the Participating Partner’s accountability and oversight framework and by the Participating Partner’s unit in charge of investigations. Upon completion of the investigation, the Participating Partner will inform the Global Steering Committee and the Fund Administrator about the results of the investigation.

Section IV
Reporting

1. Each Participating Partner will provide the Fund Administrator with the following statements and reports prepared in accordance with the accounting and reporting procedures applicable to the Participating Partner concerned. The Participating Partners will endeavour to harmonize their reporting formats to the extent possible.

   (a) Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;

   (b) Certified midyear and annual financial statements to be provided (in the format of the attached template in Annex 4), by the Participating Partner with respect to the funds disbursed to it from the Fund Account as follows:

      (i) A midyear financial statement is due by 31 July each year covering the period 01 January to 30 June of that same year; and

      (ii) An annual financial statement covering each calendar year is due by 30 April of the following year.

   (c) Final narrative reports, after the completion of the programmatic activities in the approved Annual Work Plans and including that of the final year of approved programmatic activities, to be provided no later than five months (31 May) of the year.
following the financial closing of the Global Trust Fund. The final report will give a summary of results and achievements compared to the goals and objectives of the Global Trust Fund; and

(d) Certified final financial statements after the completion of the programmatic activities in the approved Annual Work Plans and including the final year of approved programmatic activities, to be provided by the Participating Partner no later than six months (30 June) of the year following the financial closing of the Global Trust Fund.

2. The Fund Administrator will prepare consolidated narrative progress and financial reports, based on the reports referred to in paragraph 1 (a) to (d) above, and will provide those consolidated reports to each Resource Partner that has contributed to the Fund Account, as well as the Global Steering Committee, in accordance with the timetable established in the agreement with the Resource Partner.

3. The Fund Administrator will also provide the Resource Partners, the Global Steering Committee and Participating Partners with the following statements on its activities as Fund Administrator:

   (a) Certified annual financial statement (“Source and Use of Funds” as defined in the template provided by the Fund Administrator) to be provided no later than five months (31 May) after the end of the calendar year; and

   (b) Certified final financial statement (“Source and Use of Funds”) to be provided no later than nine months (30 September) of the year following the financial closing of the Global Trust Fund.

Section V
Monitoring and Evaluation

1. Monitoring and evaluation of the Global Trust Fund will be undertaken in accordance with the respective regulations, rules and procedures of the Participating Partners.

2. The Resource Partners, the Fund Administrator and the Participating Partners will hold annual consultations, as appropriate, within the framework of the Global Steering Committee, to review the status of the Global Trust Fund.

Section VI
Audit

In case an audit is requested by the Global Steering Committee, the Fund Administrator and Participating Partners will be audited in accordance with their own Financial Regulations and Rules. The costs of any audit will be charged to the funds received from the Fund Administrator.

Section VII
Joint Communication

1. Each Participating Partner will take appropriate measures to publicize the Global Trust Fund and to give due credit to the other Participating Partners. Information given to the press, to the beneficiaries of the Global Trust Fund, all related publicity material, official notices, reports and publications, will acknowledge the role of the host Government, the Resource Partners, the Participating Partners, the Fund Administrator and any other relevant entities. In particular, the Fund Administrator will include and
ensure due recognition of the role of each Participating Partner and national partner in all external communications relating to the Global Trust Fund.

2. The Fund Administrator in consultation with the Participating Partners will ensure that the Global Steering Committee and Global Executive Board decisions regarding the review and approval of the use of the Global Trust Fund’s resources as well as periodic reports on the progress of implementation of activities of the Global Trust Fund, and associated external evaluation are circulated when appropriate. Such reports and documents may include programmatic activities approved by the Global Steering Committee and programmatic activities awaiting approval, fund level reports, annual financial and progress reports and external evaluations, as appropriate.

3. The Participating Partner will not make any statement or otherwise imply to donors, investors, media or the general public that it is a direct grantee of any of the Resource Partners contributing to the fund. The Participating Partner may state that the Food and Agriculture Organization of the United Nations is the Resource Partner's grantee and that the Participating Partner receives funds through the Food and Agriculture Organization of the United Nations, in its capacity as Fund Administrator, for use in the Project.

Section VIII
Expiration, Modification and Termination

1. This Memorandum of Understanding will expire upon winding up of the Global Trust Fund, subject to the continuance in force of paragraph 5 below for the purposes therein stated.

2. This Memorandum of Understanding may be modified only by written agreement between the Participating Partners.

3. Any of the Participating Partners may withdraw from this Memorandum of Understanding upon giving thirty (30) days’ written notice to all other Participating Partners to this Memorandum of Understanding and to the Global Steering Committee, subject to the continuance in force of paragraph 5 below for the purpose therein stated.

4. The Fund Administrator’s appointment may be terminated by the Fund Administrator (on the one hand) or by the mutual agreement of all Participating Partner (on the other hand) on thirty (30) days’ written notice to the other party, subject to the continuance in force of paragraph 5 below for the purpose therein stated. In the event of such termination, the Participating Partners will agree on measures to complete all programmatic activities in an orderly manner and minimize costs and expenses.

5. Commitments assumed by the withdrawing or terminating Participating Partners under this Memorandum of Understanding will survive the expiration or termination of this Memorandum of Understanding or the termination of the Fund Administrator or withdrawal of a Participating Partner, to the extent necessary to permit the orderly conclusion of the programmatic activities and the completion of final reports, the withdrawal of personnel, funds and property, the settlement of accounts between the Participating Partners hereto and the settlement of contractual liabilities that are required in respect of any subcontractors, consultants or suppliers. Any balance remaining in the Global Trust Fund Account or in the individual Participating Partners’ separate ledger accounts upon winding up of the Global Trust Fund will be used for a purpose mutually agreed upon or returned to the Resource Partner(s) in proportion to their contribution to the Global Trust Fund as determined by the Global Executive Board.
Section IX
Notices

1. Any action required or permitted to be taken under this Memorandum of Understanding may be taken on behalf of the Fund Administrator, or his or her designated representative, and on behalf of a Participating Partner by his or her designated representative.

2. Any notice or request required or permitted to be given or made in this Memorandum of Understanding will be in writing. Such notice or request will be deemed to be duly given or made when it will have been delivered by hand, mail or any other agreed means of communication to the party.

Section X
Entry into Effect

This Memorandum of Understanding will come into effect upon signature by authorized officials of the Participating Partners and will continue in full force and effect until it is expired or terminated.

The Parties acknowledge that Annex 4 attached to this MOU is a draft version, which is subject to approval by the GEB. The final version will come into effect upon the approval of all the reporting templates by the GEB. The final reporting templates will be circulated to all the Participating Partners.

Section XI
Settlement of Disputes

1. The Participating Partners will use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim arising out of or in connection with this Memorandum of Understanding or any breach thereof. Any such dispute, controversy or claim which is not settled within sixty (60) days from the date either party has notified the other party of the nature of the dispute, controversy or claim and of the measures which should be taken to rectify it, will be resolved through consultation between the Executive Heads of each of the concerned Participating Partners and the Fund Administrator.

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective parties have signed two copies of this Memorandum of Understanding in English.

For the Fund Administrator
Signature: ______________________
Name: ______________________
Title: ______________________
Place: ______________________
Date: ______________________

For Participating Partner
Signature: ______________________
Name: ______________________
Title: ______________________
Place: ______________________
Date: ______________________
ANNEX 1: Letter of Participation

ANNEX 2:  Global Strategy to Improve Agricultural and Rural Statistics

ANNEX 3:  Action Plan of the Global Strategy to Improve Agricultural and Rural Statistics

ANNEX 4:  Draft Manual on procedure for disbursement of funds to participating partners.