

## Multilateral Aid Review: Assessment for the Food and Agriculture Organisation of the United Nations (FAO)

Summary	
Organisation: <b>Food and Agriculture Organisation (FAO)</b>	Date: February 2011
Description of Organisation	
<p>FAO is a UN Specialised Agency that leads on food in the UN system and focuses on MDG1, reducing hunger and poverty. It is a unique source of knowledge and information, gathering, analysing and disseminating data that aid development. FAO supports developing country governments in all areas of agriculture, fisheries, livestock and forests, devising agricultural policy and national strategies to promote rural development and improve food security.</p> <p>FAO is responsible for global normative, standard setting work connected with food and agriculture. It provides a neutral forum for countries to negotiate international treaties, agreements and guidelines and helps countries to implement them. FAO helps to ensure the safety and quality of food, facilitate trade and maintain plant and animal health. The Codex Alimentarius Commission, established jointly by FAO and the World Health Organisation (WHO), has been setting food standards since 1963. International application of the Commission's standards makes food safer for consumers and ensures fair practice in the global food trade, benefitting producers and consumers.</p> <p>The Organisation provides technical assistance to countries and manages projects and programmes. It leads the humanitarian agriculture cluster and will co-lead the global emergency food security cluster, helping people to rebuild their livelihoods in emergency situations. It helps the international community address issues that cross borders such as avian influenza and other plant and animal diseases. It is on target to eliminate rinderpest from the world in 2011, a disease that has caused devastation and famine in Africa and Asia through loss of livestock.</p> <p><u><i>Budget and Funding</i></u></p> <p>FAO has two main sources of funding: core assessed and voluntary contributions. These were brought together for the 2010–11 biennium in an integrated results-based budget and programme of work as part of a wider reform process. The FAO assessed contribution budget for the 2010-2011 biennium is US\$995.9m of which 51% is ODA.<sup>1</sup> The total of core voluntary contributions planned is US\$1,264.9m. This larger part of FAO's budget is 100% ODA and funds over 90% of FAO field projects and programmes. 50% of these voluntary contributions are spent on emergencies. The UK share of UN assessed contributions in the UN system is 6.675%. This amounts to £21m for FAO in 2010 and 2011. In 2010, the UK contributed an additional US\$16.8m to specific FAO programmes, including emergency and rehabilitation response work.</p>	

<sup>1</sup> 2010 Report on DAC Multilateral Aid

<b>Contribution to UK Development Objectives</b>	<b>Score (1-4)</b>
<p><b>1a. Critical role in meeting International Objectives</b></p> <ul style="list-style-type: none"> <li>+ FAO's mandate gives it an important role for achieving key international development goals. Globally it provides the lead response in addressing transboundary animal and plant diseases such as avian influenza and rinderpest.</li> <li>+ FAO leads the humanitarian agriculture cluster, coordinating rural livelihoods recovery. Country feedback reports effective FAO performance in this role.</li> <li>- FAO can lack strategic focus, particularly at country level, leaving a gap in the international architecture where it should be providing national policy support and international coordination.</li> <li>- There is a lack of prioritisation and focus on results in FAO's programmes.</li> <li>- Bureaucratic delays negatively impact on FAO's delivery and results at country level.</li> <li>= FAO has a highly relevant mandate to international development and humanitarian objectives. However, whilst there are examples of FAO delivering at a global level and in fragile contexts, overall it does not adequately fulfil its role, particularly at country level.</li> </ul>	<p><b>Weak (2)</b></p>
<p><b>1b. Critical role in meeting UK Aid Objectives</b></p> <ul style="list-style-type: none"> <li>+ Country reports highlight FAO's role in contributing to wealth creation and delivery of the MDGs, particularly MDG 1 on hunger and poverty.</li> <li>+ Feedback from country offices shows that FAO is increasingly effective in coordinating the agriculture cluster in humanitarian situations.</li> <li>+ It plays a key role in global monitoring and in developing policy advice. Defra sees it as an important partner for delivering its international development objectives in areas such as forestry, fisheries, climate change and international treaties.</li> <li>- A lack of strategic focus is often reported at country level.</li> <li>- Performance is not systematic across FAO country offices, where a lack of prioritisation and results focus is reported.</li> <li>= FAO is important in delivering both DFID and wider HMG objectives, but does not adequately fulfil a critical role, particularly at country level.</li> </ul>	<p><b>Satisfactory (3)</b></p>
<p><b>2. Attention to Cross-cutting Issues:</b></p> <p><b>2a. Fragile Contexts</b></p> <ul style="list-style-type: none"> <li>+ FAO has specific guidance for working in fragile contexts</li> </ul>	<p><b>Satisfactory</b></p>

<p>and has developed toolkits for assessments in emergency response situations.</p> <ul style="list-style-type: none"> <li>+ FAO's emergency department has made good progress in implementing reforms and improving performance.</li> <li>+ FAO fulfils its coordinating role effectively as cluster lead for agriculture in emergency situations.</li> <li>- FAO lacks an adequate core group of staff equipped to work in fragile contexts.</li> <li>= Overall FAO performs well in fragile contexts and is improving performance as agriculture cluster lead.</li> </ul>	<p><b>(3)</b></p>
<p><b>2b. Gender Equality</b></p> <ul style="list-style-type: none"> <li>+ FAO's new results framework includes gender equity in access to resources, goods, services and decision-making in the rural areas as a key strategic objective with clear indicators and targets.</li> <li>+ FAO has clear structures to promote gender equality and uses its partnerships to focus on gender in agriculture and rural development.</li> <li>+ Globally and nationally FAO is working towards improving sex-disaggregated statistics.</li> <li>- At country level, FAO's interventions are typically not strategic. FAO often uses small pilot initiatives to address gender, but these do not feed into policy.</li> <li>= Overall FAO has a strong focus on gender and is working to mainstream gender throughout the organisation and improve variable performance at country level.</li> </ul>	<p><b>Satisfactory (3)</b></p>
<p><b>2c. Climate Change</b></p> <ul style="list-style-type: none"> <li>+ FAO promotes good practice in climate change mitigation. It provides policy and technical support for the adaptation of agricultural systems to climate change. It measures progress in its corporate results framework.</li> <li>+ FAO partners effectively with others on climate change – for example UNDP and UNEP on UNREDD, which helps countries develop their capacity to reduce emissions from deforestation and forest degradation.</li> <li>- FAO does not systematically ensure that all its country and regional programmes integrate low-carbon, climate-resilient approaches into its investments.</li> <li>= At global level FAO promotes opportunities for agriculture to contribute to climate change adaptation and mitigation. At country level FAO needs to ensure more systematic performance in planning and implementation.</li> </ul>	<p><b>Satisfactory (3)</b></p>
<p><b>3. Focus on Poor Countries</b></p> <ul style="list-style-type: none"> <li>- Assessed centrally by comparing the multilaterals' country by country spend with an index that scores developing countries based on their poverty need and effectiveness</li> </ul>	<p><b>Weak (2)</b></p>

<p>(the strength of the country's institutions). FAO spends 30% of its resources in the countries in the top quartile of the index. This is lower than the multilaterals that perform better in this component.</p> <ul style="list-style-type: none"> <li>+ Its expenditure includes high amounts to some countries with large amounts of absolute poor such as Pakistan and Tanzania.</li> <li>+ Scoring based on data provided in audited accounts for country allocations.</li> </ul>	
<p><b>4. Contribution to Results</b></p> <ul style="list-style-type: none"> <li>+ There are some good examples of delivery globally and at country level, particularly in fragile contexts.</li> <li>- There is patchy performance, particularly at country level, with weak strategic vision and projects that are too small or at the wrong level to make a difference.</li> <li>- FAO has weak country offices that lack a clear focus on results, although there are some notable exceptions, including in more fragile contexts.</li> <li>= Impact at country level is very variable and, although reform is underway, this has not yet delivered substantive change. Management needs to be more systematic in striving for results and prioritisation.</li> </ul>	<p><b>Weak (2)</b></p>
<p><b>Organisational Strengths</b> <span style="float: right;"><b>Score (1-4)</b></span></p>	
<p><b>5. Strategic &amp; Performance Management</b></p> <ul style="list-style-type: none"> <li>+ As part of its reform programme FAO has introduced a new Strategic Framework and Medium Term Plan and, for the first time, a corporate Results Framework with its first results-based budget for 2010–2011.</li> <li>- Reforms have been driven by the membership, not FAO's leadership. These are in the process of being implemented and it is too early to judge their success.</li> <li>- FAO country offices need to engage at a more strategic level and focus on results.</li> <li>- Too much authority remains in the DG office, which can cause delays.</li> <li>- Good HR policies are being developed but are not yet consistently applied.</li> <li>= FAO's reform programme should strengthen strategic and performance management but it is still very much work in progress.</li> </ul>	<p><b>Weak (2)</b></p>
<p><b>6. Financial Resources Management</b></p> <ul style="list-style-type: none"> <li>+ FAO has improved its budgeting process through the introduction of an integrated programme of work. This brings together core assessed contributions and extra voluntary funding.</li> <li>+ The Office of the Inspector General has been</li> </ul>	<p><b>Weak (2)</b></p>

<p>strengthened. FAO is introducing International Public Sector Accounting Standards (IPSAS) by 2012.</p> <ul style="list-style-type: none"> <li>- Greater transparency is needed in the management of financial resources, including voluntary contributions.</li> <li>- Delays in disbursements can completely undermine objectives in some situations, e.g. distributing seeds for the planting season.</li> <li>- Programming and financial accountability processes at country level are weak and poorly performing projects are not managed systematically.</li> </ul> <p>= Improvements are being made to strengthen systems but this remains work in progress.</p>	
<p><b>7. Cost and Value Consciousness</b></p> <ul style="list-style-type: none"> <li>+ FAO has made significant cost savings over recent years.</li> <li>- The need to identify savings has been imposed by membership, but the organisation has not developed a culture of value for money. Country reports indicate that value for money is not systematically taken into consideration by staff.</li> <li>- Inefficient processes have been identified by evaluations and, whilst plans are in place to address the issues, results have yet to be achieved.</li> </ul> <p>= Although some systems are in place, top management needs to introduce a culture of value for money so that staff focus on this systematically and strive for cost effectiveness, encouraging partners to do so too.</p>	<p><b>Weak (2)</b></p>
<p><b>8. Partnership Behaviour</b></p> <ul style="list-style-type: none"> <li>+ FAO provides the neutral international platform for countries to discuss and agree international treaties and guidelines for food and agriculture.</li> <li>+ FAO works to bring partners together in a coordinated response, gathering knowledge and disseminating advice and guidelines.</li> <li>+ There is increasingly effective performance in coordinating and bringing partners together in the humanitarian agriculture cluster.</li> <li>+ FAO works with NGOs and civil society. Its consultative approach aims to reflect all views in policy making.</li> <li>- Evaluations have indicated that FAO needs to become more strategic in its partnerships.</li> <li>- FAO needs to align more with national priorities, adhere better to Paris approaches and keep transactions down by not replicating national systems.</li> <li>- FAO needs to be more willing to challenge governments to improve policy, including on issues such as nutrition.</li> </ul> <p>= FAO plays a coordinating, leadership role at a global level and in humanitarian and fragile contexts. While there are</p>	<p><b>Satisfactory (3)</b></p>

<p>clearly areas for improvement, at HQ as well as country level, the overall picture at working level is positive.</p>	
<p><b>9. Transparency and Accountability</b></p> <ul style="list-style-type: none"> <li>+ Developing countries have a significant voice in the governing bodies and a majority in voting.</li> <li>- Profound culture change is needed to transform FAO into a modern, transparent and accountable institution.</li> <li>- FAO does not have an information disclosure policy.</li> <li>- Overall there is little sense of transparency and accountability at country level and the Office of the Inspector General reports institutional weaknesses. The field accounting system and accounting policies need to be reviewed (and replaced under IPSAS).</li> <li>- While some project information is available on FAO's website, this is not comprehensive and falls short of IATI standards.</li> <li>- FAO's governance can be politicised. Member States could be more effective in promoting transparency.</li> <li>= Substantive leadership will be required to transform FAO into an organisation that is demonstrably committed to transparency and accountability.</li> </ul>	<p><b>Unsatisfactory (1)</b></p>
<p><b>Likelihood of Positive Change</b></p>	<p><b>Score (1-4)</b></p>
<p><b>10. Likelihood of Positive Change</b></p> <ul style="list-style-type: none"> <li>+ A comprehensive reform programme is underway and beginning to show some benefits at an organisational and country level. Some of these reforms – such as greater focus on RBM – should have positive effects more broadly.</li> <li>- The scale of reform needed to turn FAO into a consistently performing and effective organisation is huge.</li> <li>= Full implementation of the existing reform package would turn FAO into a much more efficient and effective organisation. Achieving this will require strong leadership and a change in how member states do business in governing bodies. The current likelihood of full, successful implementation with the necessary urgency is low. The election of the next Director General in June 2011 will be an important factor for the future of reform.</li> </ul>	<p><b>Uncertain (2)</b></p>