

Food & Agriculture Organisation Development Effectiveness Summary*

Context

Mandate: FAO is one of the UN's *specialised agencies*. Its mandate is set out in its constitution, FAO Basic Texts Vol 1 Rome 2005, dating from 1947, which speak of: improving nutrition and standards of living; improving production and distribution of food and agricultural products; improving conditions of rural populations; and contributing to expanding the world economy and freedom from hunger. However, its functions are mainly defined as normative: collection, analysis and dissemination of data; and promotion of international action on policies within its mandate. Its constitution says "it shall also ... furnish technical assistance" and help governments meet their obligations arising from acceptance of FAO recommendations. FAO is not a programme delivery organisation and its work is largely focused on small interventions that deliver policy and technical capacity building related to its normative work. It has recently begun to describe itself as a knowledge organisation. FAO also houses the Investment Centre, set up in the 1950's by the World Bank and remains 80% financed by them. To date, the Investment Centre has designed about 60% of World Bank agricultural and rural programmes as well as some of those of IFAD and the Asian and African Development Banks and other donors.

Size: FAO has 3683 staff, 145 overseas offices and a headquarters in Rome. Most of its budget, currently US\$756 million for the 2006-2007 biennium, is used for staff costs with only around 17% devoted to technical assistance. However, it receives about the same amount in extra-budgetary support, the bulk of it for emergency rehabilitation, and manages a number of programmes on behalf of IFIs, other UN organisations and bilateral donors.

Key Issues: FAO has been subject of an Independent External Evaluation (IEE), the largest ever performed in the UN, which reported in October 2007. It began with wide support among the Membership as an opportunity to revitalise the organisation, tune it to the changed external environment and restore confidence in its performance. The report paints a bleak picture of FAO's administration, structure, programme effectiveness and governance and makes over a hundred evidence-based recommendations.² However, it also confirms that the world needs the functions FAO performs (supporting e.g. trade, international resource agreements, climate change adaptation) and that FAO's record in emergency rehabilitation and some technical areas is good. The IEE suggests that it is better to fix FAO than start again although it indicates that the organisation will rapidly cease to be effective without major reform and growth. FAO management has in principle agreed with most of the recommendations and major findings and has committed to follow up on some and pursue further consultation with members on others.³

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Is FAO BUILDING FOR THE FUTURE?

Summary: The IEE team's assessment is that FAO is in a serious crisis, that its governance is ineffectual and needs immediate attention; and that a change in FAO's management culture is needed. The IEE found much that FAO does well, but also a great need for change. There appears to be little evidence for RBM and the IEE is highly critical over most staffing issues. However the IEE concludes that if FAO were to disappear, it would need to be reinvented. They believe that a clear and convincing commitment to a process of change should bring about the resources for organisational renewal.

Commitment to Continual Improvement

Does the Board require management to act on performance results?

✓ Yes. The Programme Committee, currently chaired by the UK, discusses evaluation plans and reports and recommends topics for future evaluation. The Finance Committee has a similar role for audit recommendations. The reports of the two committees are reported to and discussed by the FAO Council. Both committees track the follow-up to recommendations. The Joint Meeting of the Programme and Finance Committees, Council and Conference institutionalised such follow-up reporting (Reports of Programme and Finance Committees submitted to 131st session of FAO Council 2006).¹

Building Knowledge and Lesson Learning

Does FAO have adequate mechanisms for spreading lesson learning?

✓ Internal systems for disseminating lessons exist and FAO has developed very substantial systems for disseminating best practice direct to governments, academic bodies and individuals, extension workers and farmers (accessible through FAO Global Information and Early Warning Service, FAO policy guides, FAOSTAT, WAICENT IT-based agricultural information system and Codex Alimentarius food standards systems). The IEE scores FAO quite well as a knowledge disseminator but is critical of horizontal communication at HQ.

✓ The Evaluation Service releases notes after evaluations which seem to have yielded particular lessons for a wide audience. In addition field project evaluation summaries and the statistical data base are available on the Evaluation Service (PBEE) website, together with all evaluation reports for the Governing Bodies.¹

Results Based Management: To what extent does FAO manage by results?

FAO has no formal RBM in place although auto-evaluation data (similar to project completion report assessments in DFID) is available. It is not known how effective this is.

Staff Development

What is the average number of days training per staff member?

⇔ The number of days is not known, but 1.35% of budgeted staff costs is earmarked for staff development. The draft IEE report notes that this is low for such an organisation.

What are staff resignation rates?

Not known.

Does FAO have Investors in People accreditation or similar?

× No

What is the level of staff satisfaction?

⇔ The IEE reports that staff are demoralised. They are said to be positive about the IEE but sceptical about whether it will be implemented.

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How well is FAO *MANAGING* its *RESOURCES*?

Summary: Little can be said with confidence about resources management and FAO is not a manager of significant programme delivery. However, the recent insights on staff and operational management suggest problems and few plans for improvements. The draft IEE report has given priority to developing effective strategies in this area.

Corporate Governance and Strategy

Is FAO's corporate strategy based on a clear definition of mandate and comparative advantage?

⇔ Partially. FAO's mandate was clearly defined – in 1947. But it has not been revised to reflect the world of today. The Strategic Framework 2000-15 approved by the FAO Conference does refer to the mandate. However, the draft IEE report does not regard it as effective and has recommended development of a corporate strategy as a high priority.

Resource Management

What is the disbursement ratio (i.e. commitments versus disbursements Paris Declaration Indicator 7)?

✓ Close to 100%; but it should be noted that FAO is not a programme delivery agency and commitments and operational activities are only a small part of its work.

What is the administrative efficiency ratio (i.e. average gross expenditure per staff member)? N/A

What is the average cost per \$ disbursed (gross)?

Not relevant although FAO levies up to 13% overhead charge on voluntary-funded programmes they administer.

What is the ratio of administrative costs compared with disbursements? N/A

How well is FAO's resource allocation criteria aligned with its corporate strategy and comparative advantage? The draft IEE report suggests poor alignment.

Staff Management

To what extent is staff recruitment, postings and promotions meritocratic and transparent?

⇔ In the majority of posts, they probably are. All posts are advertised and are subject to formal procedures including review by a corporate selection committee to ensure that the highest standards are met. In more senior posts, grade D and above, and for all country representatives (FAORs) appointments are cleared with the DG¹. FAO is moving from passive to active recruitment and introducing targeted advertising to attempt to redress national, gender and age imbalances. Action is being taken to reach a wider audience e.g. vacancies are to be posted on other organisations' websites. But the IEE has been highly critical of many aspects of the recruitment and staff management system.

Operational Management

Is FAO sufficiently decentralised to enable it to respond flexibly to country demand?

✓ There has been a significant move in favour of decentralisation over the period 1994-2004 – from 29% to 38% of Regular Programme funded posts. It has been independently evaluated but the IEE has questioned the appropriateness of recent changes and the weakness of linkages between field and regional office and HQ. Many FAO country representatives have little experience in FAO.

What is the speed of project approvals and disbursements? Not known. Discussions in the Programme Committee have identified internal administrative barriers that delay implementation.

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How well is FAO managing its *PARTNERSHIPS*?

Summary: The IEE team consider that FAO has developed a broad range of successful partnerships. But they are of highly uneven character, developed most with other UN agencies, the World Bank and the CGIAR. They are exceedingly weak with the private sector and whilst they have demonstrated results in several global programmes they are weakest at country level with other development partners. FAO has no strategy for partnerships. A new, genuinely corporate-wide strategy is needed.

Voice

What mechanisms exist for developing countries to influence the strategy of FAO?

✓ All members have equal rights in governance bodies and the G77 (which is effectively chaired) is one of the recognised negotiating groups. However, the IEE suggests that governance systems are largely ineffective, are characterised by micromanagement, and do not lead to effective prioritisation.

How actively is FAO promoting the participation of civil society?

✓ Recently FAO meetings have frequently had an associated CSO forum.

Partnership Behaviour

What mechanisms are in place to seek feedback on partnership behaviour and what do the results show?

✓ No mechanisms are known other than those linked to projects and programmes. However, governments are the main partners and are able to provide feedback as necessary.

Alignment

To what extent does this organisation foster government ownership through the project/programme cycle?

✓ Projects delivering FAO's policy and capacity building work are government owned, but not always very effective (FAO evaluation reports available on the Evaluation Department (PBEE) website.)

What % of TC flows are provided through coordinated programmes consistent with partners' national strategies?

Probably close to 100% as these originate with Government requests.

Is the number of Project Implementation Units decreasing or non-existent?

Not relevant. None are known to be related to FAO's regular programme.

In what ways has FAO been aligning its strategy/programme/projects with national strategies?

✓ In some countries FAO is piloting a National Medium Term Strategy Framework within the UNDAF which responds to nationally owned strategies. FAO is becoming increasingly involved in One UN pilots.

Harmonisation

To what extent does this organisation participate in local donor coordination activities such as sector working groups/thematic groups?

⇔ Variable. In some countries FAO leads sector work, including through the Investment Centre (IC). Also through the Investment Centre, FAO is a member of donor harmonisations networks such as the Global Donor Platform for Rural Development.

To what extent does FAO share information with other donors?

Apparently as much as required by other donors.

What evidence is there of harmonising procurement and consulting services procedures, disbursement policies and evaluation practices?

Probably not significant within the small regular programme funded activities but is a major feature of FAO design of sector strategies, including through the Investment Centre. Some services are procured by FAO HQ for Rome-based UN agencies.

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What do we know about FAO's COUNTRY/GLOBAL RESULTS?

Summary Available information is ambiguous; indeed evaluations (including by DFID) of *non-core funded* programmes including forestry, the Asian *tsunami* response and desert locust control have been positive. This is to some extent confirmed by the IEE; however the evaluation also found that whilst much of FAO's technical work is sound most *core-funded* field programmes are not.

Country/Global Results

What information is available on the FAO's performance at country level?

⇔ Effectiveness of core-funded programs is reported as often poor. The draft IEE report has confirmed FAO's leading position in work on Global Public Goods in its fields but points to a lack of engagement by its governance bodies with global issues.

What evidence is there of the independence, credibility and utility of FAO's own evaluations?

✓ The main evidence for the independence and objectivity of FAO evaluations is the fact that they are often extremely critical. They are subject to peer review, process but nevertheless the draft IEE report advocates greater independence for FAO's evaluation system...

What impact is FAO having at the country/global level?

⇔ The IEE has attempted to assess the global impact of FAO's mandated activities such as data collection, technical work on pesticides use, food standards, transboundary pests and diseases, phytosanitary matters etc. It has concluded that they are effective but has made recommendations for improvement including in capacity building in developing countries. Prominent examples include avian influenza where FAO is credited with holding back its spread in poultry and transmission to humans, and combating desert locusts. FAO's convening power on international issues is noted favorably. The IEE considers that whilst FAO has continued to make some significant contributions to global governance of food and agriculture, its role has declined in comparison with that of other organizations – and risks further decline. The report is more skeptical over much of FAO's work at country level.

Portfolio Quality

What is the % of projects/programmes which met their targets?

⇔ Little information is available although the Programme Implementation Report provides general financially oriented data. A system of project completion reports (auto-evaluations) is in the process of being main-streamed and may provide the evidence.

How does this vary across sectors, regions and countries?

⇔ Unknown at present. Several sources suggest that most regular programme-funded activities are poor.

REFERENCES

1. DFID's 2004 Multilateral Effectiveness Framework (MEFF) report
2. FAO: The Challenge of Renewal. An independent external evaluation of the FAO. October 2007 ftp://ftp.fao.org/docrep/fao/meeting/012/k0827e_rev1.pdf
3. Management Response "In Principle" to the IEE, October 2007 <ftp://ftp.fao.org/docrep/fao/meeting/012/k0970e.pdf>

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