

Comments on the DFID Assessment

The Food and Agriculture Organization of the United Nations (FAO) welcomes the opportunity to comment on the findings of the United Kingdom's Department for International Development's (DFID) Multilateral Aid Review (MAR). This response is based on a six-page summary assessment shared with FAO on 14 February 2011. FAO looks forward to the possibility of further dialogue following the publication of the main MAR report on 1 March 2011 and subsequent review of the FAO-specific working paper on which the assessment is based.

FAO is a multilateral intergovernmental organization that, like all other intergovernmental organizations, responds to the guidance and leadership of its Governing Bodies on all aspects of its global normative and operational mandate. FAO is always pleased to have the opportunity to learn more about the specific views and assessments of any of its Members, such as the MAR, which touches on several important areas of FAO's work, including findings from assessment missions in ten countries.

FAO's comments focus on two major areas: the scope of the MAR's assessment and FAO's commitment to reform.

1. The Scope of DFID's Multilateral Aid Review assessment of FAO

The MAR emphasizes the importance of multilateral programmes focusing on poor countries, reflecting DFID's priorities, and has developed its own composite ranking for this purpose. The MAR assessment has utilized a range of information sources, including the findings of MAR assessment teams in ten countries. FAO is pleased that these assessment teams met with its country teams in almost all of the countries visited.

The MAR undertook the significant challenges of trying to carry out a common assessment of 44 multilateral agencies that are as diverse in mandate, focus, size and impact as those covered by the MAR. Any assessment that attempts to compare humanitarian response funds, humanitarian coordination bodies, humanitarian agencies, development programmes and specialized technical agencies with mandates that include the delivery of important global public goods risks comparing apples and oranges.

The MAR has recognized that FAO's contribution to reducing hunger, eliminating poverty and managing natural resources includes areas of work and impact that extend far beyond the eleven components that make up the MAR assessment framework. These critical areas of FAO's work were not factored into the MAR ratings on FAO, which is both understandable and unfortunate.

In addition to FAO's normative work on global public goods, since 2006, FAO has implemented projects in 162 separate countries in all regions of the world. This reflects both the range of services that it provides its Members and its mandate to give technical support to all its Members upon request, including small island developing states (SIDS), land-locked countries and other vulnerable Member States. Over 33 percent of FAO's total projects over the same period took place in just six of the world's most needy countries, demonstrating FAO's strong humanitarian capacity and impact, a point highlighted in the MAR.

Indeed, the MAR commends FAO's strong contribution to agricultural and food security preparedness, response and transition in humanitarian crisis situations, an area of work that now accounts for approximately 50 percent of its total project delivery and staff.

MAR places an important emphasis on strong country programming and delivery. FAO has ongoing initiatives such as the new training programmes that are being implemented and tools that are being developed for the Organization's country directors (FAO Representatives) and their teams to strengthen strategic planning, programming, budgeting and implementation at the country level, most notably the new draft Country Programme Framework. The MAR team may not have had the opportunity to consider these important new developments which are helping to sharpen FAO's country focus.

Examples of our work at country level that were not included in MAR's assessment include:

- Following the devastating 1999/2000 drought, at the request of the UN Secretary-General, Secretary-General Kofi Annan entrusted the FAO Director-General to chair an Inter-Agency Task Force of 10 UN agencies on Long-Term Food Security, Agricultural Development and Related Aspects in the Horn of Africa. The final report, "The Elimination of Food Insecurity in the Horn of Africa", released in October 2000, defined a long-term strategy for the agricultural development of the region and the achievement of food security.
- FAO assisted the New Partnership for Africa's Development Secretariat (NEPAD) in preparing the Comprehensive Africa Agriculture Development Programme and its companion documents, adopted by Heads of State and Governments at the African Union Summit in Maputo in 2003. (The Programme outlined an investment need of USD 25 billion per year for water control, rural infrastructure, trade capacity, increased crop production and reduced hunger, agricultural research and the dissemination of technology, animal production, forestry, fisheries and aquaculture.
- Fifty-one African countries requested FAO to assist in the elaboration of their National Medium-Term Investment Programmes and Bankable Investment Project Profiles with the full involvement of governments, farmers' organizations, civil society and development partners. If they had received appropriate funding, these programmes and projects would have significantly improved food security in these countries.
- More recently, FAO has been a strong partner in assisting African countries in the development of CAADP Country Compacts and the application to the Global Agriculture and Food Security Program (GAFSP), initiatives following up on decisions at the G20 Pittsburgh Summit and the L'Aquila G8 Summit in 2009.

FAO has also worked at the regional level:

- The Economic and Monetary Union of West Africa, the Economic Community of West African States, the Southern African Development Community, the Common Market for Eastern and Southern Africa, the Intergovernmental Authority on Development and the Arab Maghreb Union have, with FAO's support, prepared regional food security programmes which focus on intra-

- Following implementation of the pilot phases of national and regional food security programmes in the countries of the Caribbean Community, Central and South America, the Ibero-American Summit approved the Initiative “Hunger-Free Latin America and the Caribbean by 2025” which FAO helped develop. Similar regional programmes were prepared, in cooperation with FAO, in Central Europe and Central Asia for the Organization of the Black Sea Economic Cooperation and the Economic Cooperation Organization.

At the global level:

- Hunger and food insecurity are global problems. In 2010, there were an estimated 925 million undernourished people in the world. Experience from the 2008 food price crisis means that there is a strong likelihood that the current wave of food price volatility could expose many more millions of people to hunger, at least in the short-term. FAO’s focus is therefore necessarily global, although a significant proportion of its country programmes are focused on the world’s 70 low-income food-deficit countries.

Although it is a rather detailed technical point, the MAR references the current Organisation for Economic Co-operation and Development (Development Assistance Committee Working Party on Statistics list of Official Development Assistance-eligible organizations), that 51 percent of FAO’s core expenditure is considered Official Development Assistance. Almost 100 percent of FAO’s voluntary budget – which is larger than its core budget – is Official Development Assistance. Recent discussions between the Development Assistance Committee Secretariat and FAO have recommended that the core budget figure for FAO be raised to 66 percent, based on an updated analysis of the programme structure. However, no action has yet been taken. FAO believes that this adjustment would have had a bearing on the MAR assessment.

As mentioned earlier, the MAR was not able to give full consideration to FAO’s global focus, including its international leadership and global public goods work relating to a number of major international concerns. For example, as early as July 2007, FAO warned of the nascent food price crisis and, in December 2007, it launched the Initiative on Soaring Food Prices to help boost smallholder production to increase supply and minimize the poverty impact of the crisis. Following renewed concerns about growing food price volatility and building upon FAO’s ability to provide support at global, regional and country levels, FAO launched a series of proactive initiatives that both address the underlying causes of food price volatility and support a range of government responses.

Furthermore, FAO provides vital statistics, assessments and projections for crops, livestock products, forestry, fisheries and aquaculture, covering production, utilization, trade, stocks and prices together with information on the natural resources base of land, water and biodiversity, that are used by public and private decision-makers.

In addition, safe and nutritious food supply is being addressed by the FAO/WHO Codex Alimentarius Commission and the FAO International Plant Protection Convention, two international standard-setting

bodies recognized as reference points by the WTO. To ensure the safety of the food we consume, over 320 standards, guidelines and codes of practice were developed since its creation in 1962 covering major food products.

The MAR's assessment framework does not permit direct consideration to be given to the following areas of FAO's work, nor the benefits and impacts for rich and poor countries alike:

- Because of its scope, the MAR has not been able to rate the impact and value for money of many other areas of FAO's work. For example, FAO provides significant support to agricultural investment. In 2010 alone, for example, FAO assisted governments to programme over USD 5 billion of investment in agriculture by international financing institutions, including the World Bank, the International Fund for Agriculture and the regional development banks. This power to leverage further investments in agriculture through its partnership work and support to governments and financing institutions is an important part of FAO's value, that perhaps could not be incorporated into the MAR assessment.
- Similarly, FAO's unique comparative advantage in the field of transboundary animal and plant pests and diseases enables FAO to provide critical support to developing and developed governments around the world. The Organization works with its Members to enhance prevention, strengthen crucial early warning and surveillance systems, quicken responses and build sustainable national, local and community capacities for the future. These and many other areas of the Organization's work appear to fall largely outside the MAR's assessment focus.
- The economic impact of animal diseases can be enormous. It is estimated that the Foot-and-Mouth Disease outbreak cost the European countries between 10 and 15 billion EURO in 2001. A quicker response to the warning from the FAO European Commission for the Control of Foot-and-Mouth Disease might have avoided some of these costs. Other diseases, such as *bovine spongiform encephalopathy* (BSE), Highly Pathogenic Avian Influenza (HPAI), desert locusts, ticks and tick-borne diseases also have enormous economic impacts throughout the world. In a similar vein, FAO's critical contribution to the elimination of rinderpest has saved developing country governments and livestock owners millions of dollars a year, helped protect vulnerable pastoral and other livestock-based livelihoods and has been a factor in enhancing security and stability in several countries.

2. FAO's Commitment to Reform

Several of the issues raised in the MAR draw heavily on the findings of the Independent External Evaluation of FAO, which took place between 2004 and 2006.

- As a result of this independent evaluation, FAO's Member Countries entered into a unique partnership with the Secretariat to implement an unprecedented reform process to ensure that it is fully able to play its leadership role in supporting governments to face new and emerging hunger, poverty and natural resource management challenges. In this regard, the MAR provides a useful, albeit historical, snapshot of several areas that led to FAO's ambitious five-year renewal programme. FAO has taken a number of significant steps since that time, many as part of the unprecedented and very much ongoing reform process.

- Reform is not new to FAO. It has a history of being a reforming Organization. For example, in 1994-95, Management initiated, with the approval of the Governing Bodies, a comprehensive reform focusing on priorities, programmes, structure and decentralization. Another important reform programme was launched in October 2004, which resulted in major changes. Progressive adjustments were made in 2006-07 to the programme structure and content, as well as the organizational and management structure at Headquarters and the decentralized offices.
- Regrettably, the resources required to fully implement these reforms were not always available. However, major internal changes introduced since 1994 have included a 30 percent cut in the number of staff and costs of permanent and temporary staff, even as FAO Membership increased from 171 in November 1995 to 192 Members, and implementation of efficiency savings. In addition, the comprehensive restructuring of FAO Headquarters, which was initiated in 2009 included the loss of one-third of the Director-level positions to produce a flatter and less hierarchical structure.
- The current renewal process is broader in terms of its scope and, for the first time, is fully funded. (More information on FAO reforms is available at FAO's reform website.) The five-year Immediate Plan of Action was approved for implementation starting in 2009. The Immediate Plan of Action is now approaching its mid-point. The Action Plan covers all aspects of the Organization's work, including many areas outside the MAR's focus. FAO's reform process has also been undertaken at a time when the United Nations itself is engaged in a major systematic examination of its work.
- Much of this reform is focused on the human resources issues raised by the MAR. Staff recruitment is governed by clear and transparent procedures that are accessible and verifiable by all of the Organization's Members. Decisions in this regard are taken in conformity with the FAO Constitution (Article VIII, paragraph 3) and the guidance of the FAO Conference, recently confirmed at its Thirty-fourth Session in 2007 (C2007/REP, p 37). FAO has also made explicit efforts to expand its gender and geographical representation, which FAO's Members have commended. Staff rotation is increasingly encouraged: since 2008, for example, more than 60 percent of FAO's country director positions have been filled by FAO staff from other parts of the Organization and a new policy for staff rotation is being finalized.
- As mentioned earlier, FAO's renewal agenda includes improvements in the strategic focus and coherence at country level with evaluations of country programming and mainstreaming of results-based management and planning. FAO is developing new guidelines for country programmes, as well as piloting a new mechanism for country office planning.
- The Members' faith in FAO and in the reform process is demonstrated by the strong increase in FAO resources during the last years, especially through additional funds above and beyond the Members' commitments. There has been a threefold increase in voluntary contributions to the Organization's programmes since 2002 to USD 1 billion in 2009, and the recent 7.6 percent increase in core assessed budget for 2010/11. FAO's Members' confidence can also be seen in the appreciation that they have expressed for the work that FAO has carried out in the field, including the 10 countries visited by the MAR assessment team.

- The enthusiastic and untiring support of FAO's Senior Management to the process, including various measures and mechanisms put in place for the implementation of the renewal, was recognized several times by the entire Membership and has been instrumental to its ongoing implementation. At present, a Programme Board, chaired by the Deputy Director-General (Operations) and composed of the Deputy Director-General (Knowledge), the Assistant Director-General/Directeur-de-Cabinet, the Assistant Director-General of the Corporate Services, Human Resources and Finance Department, the Assistant Director-General of the Economic and Social Development Department (Chairperson of the Culture Change Support Team), the Director of the Office of Strategy, Planning and Resources Management and the Director of the newly established IPA Programme Management Unit, is coordinating the implementation of the reform by management, thus ensuring ownership by staff. A Conference Committee on Follow-up to the Independent External Evaluation of FAO (CoC IEE) has built confidence and consensus among the Membership to guide and support the reform process monitored by the Governing Bodies.
- FAO is making good progress on the implementation of the IPA and, after two years of the five-year programme, 55 percent of the actions that comprise the IPA have been completed, and 87 percent of the remainder are on track. The Organization is therefore confident that by the end of the five-year programme in 2013, it will have fully implemented the reform and made significant improvements to all of the issues included in its scope, including those identified in the MAR review.
- FAO needed to reform and it recognized that need. Considering the trends affecting longer-term food security - one billion hungry people, climate change, growing populations, and a predicted need for a 70 percent increase in agriculture production by 2050, constraints of an international agricultural market which is neither free nor fair, protracted and increasingly complex crises, unrelenting urbanization and continuing food price volatility - the need for changes and for a strong and effective FAO has never been greater.
- FAO has, and is, engaged in a needed and unprecedented renewal process. It is a long and difficult process that embraces culture change and a focus on results. FAO is very fortunate to have the full support and partnership of its Members and the full commitment of its Secretariat in this crucial endeavour.

Unfortunately, world agriculture and food security have not been given the relevant place in the priorities of the international agenda. FAO has worked to keep agriculture and food security on the global agenda with the World Summit of Heads of State and Government on Food Security in 1996. A follow-up conference in 2002 raised awareness that if past trends continued, the Millennium Development Goal of reducing the number of hungry persons by 50 percent in 2015 would not be achieved until 2150.

Despite the lack of global commitment to the challenges of global hunger and food security, FAO is pleased by how much has been achieved by FAO's Members and its Secretariat. The internal evaluation stated "If FAO did not exist, it would need to be invented.

FAO has undertaken to reinvent itself and, in that creative and challenging process, a new and better Organization is emerging.