

Food and Agriculture Organization (FAO)







Multilateral Aid Review (MAR) Update 2013 progress rating:

MAR 2011: *Poor Value for Money for UK Aid*

Progress assessment	
Summary	Progress against all reform priorities, with sufficient improvement to warrant score change in area of transparency and accountability. New leadership introduced greater focus on strategic prioritisation and results. Human Resource reform remains priority.
Baseline	
<p>FAO leads on food and agriculture issues in the UN system, covering standard-setting and facilitation of international treaties, policy and technical support, and emergency response.</p> <p>The MAR highlighted several strengths:</p> <ul style="list-style-type: none"> • FAO has a role in contributing to global food and nutrition security and delivering the MDGs, particularly on hunger and poverty. • FAO pays attention to cross-cutting issues, including performance in fragile contexts. • FAO has an inclusive partnership approach, providing a neutral international platform to agree international treaties. <p>The MAR also highlighted several weaknesses:</p> <ul style="list-style-type: none"> • FAO has insufficient focus on results, particularly in developing countries. • FAO has insufficient human resources management for better performance and accountability. • There is no culture of value for money across the organisation. • There is reduced transparency, including in financial management and in dialogue between senior management and membership. <p>DFID's reform priorities for the MAR Update were:</p> <ul style="list-style-type: none"> • Reporting on outputs and outcomes at a country and organisational level for a more consistent focus on results – assessed under <u>contribution to results</u>; • Merit-based appointments (especially country representatives) and a better staff performance management system in use –assessed under <u>strategic and performance management</u>; • More consistent, strategic performance in developing countries and better management of poorly-performing projects – assessed under <u>strategic and performance management and financial resources management</u>; • Commitment to, and implementation of, a plan to improve efficiency – assessed under <u>cost and value consciousness</u>; • A culture of transparency starting with a presumption of disclosure – assessed under <u>transparency and accountability</u>. 	
Summary of overall progress	
<p>FAO has introduced greater prioritisation and more focus on results through streamlined strategic objectives and new results frameworks at country and corporate levels. Work is continuing on finalising indicators. Recruitment processes have been improved and performance management systems introduced for all staff. However, human resource</p>	

reform remains a priority. New leadership is introducing a greater sense of value for money and significant additional savings have been achieved. Transparency and accountability are improving but there have been delays in ensuring adherence to the International Public Sector Accounting System (IPSAS) and to introducing the FAO's new Enterprise Risk Management policy.

Progress against reform priorities

MAR reform component	MAR 2011 score	Progress rating	MAR update score, if any change
<p>Contribution to results Strategic objectives have been streamlined from 11 to 5, establishing greater prioritisation and focus on results. A new results framework for 2014 – 15 has been developed, including the translation of normative work to impact in developing countries. Finalising indicators is due to be completed by the end of 2013.</p>	2	 Significant progress	
<p>Strategic and performance management New Country Programming Frameworks are ensuring that all country offices have results frameworks for a more consistent, strategic approach, linked to the revised corporate Results Framework. The Performance Evaluation Management System is now used by all FAO staff. Recruitment processes have improved, including at in developing countries. Human Resource reform remains a priority.</p>	2	 Reasonable progress	
<p>Financial resources management FAO has started to improve the performance of decentralised offices with delegations of authority and reinforced capacity in procurement. A new Global Resource Management System has been introduced, enhancing efficiency and financial management. This needs to be rolled out to all country offices in 2013. Finalisation of FAO's Enterprise Risk Management policy and of IPSAS-compliant systems have been deferred.</p>	2	 Some progress	
<p>Cost and value consciousness FAO management has been more proactive in identifying efficiency savings since the MAR, with over US\$19 million savings channelled into priority areas in addition to \$34.5 million requested by membership. Awareness of value-for-money is increasing, from a low baseline, but will take time to become embedded across the Organisation. A long-term plan for efficiency has not yet been developed.</p>	2	 Some progress	

Transparency and accountability

Since the MAR, FAO has introduced an internal audit disclosure policy and a financial disclosure policy for staff. A whistleblower policy is being implemented. New leadership is introducing a greater sense of accountability, including more dialogue with membership. FAO is taking forward plans to publish more project information and to sign up to IATI, but an implementation plan for this is still to be developed.



Reasonable
progress

