

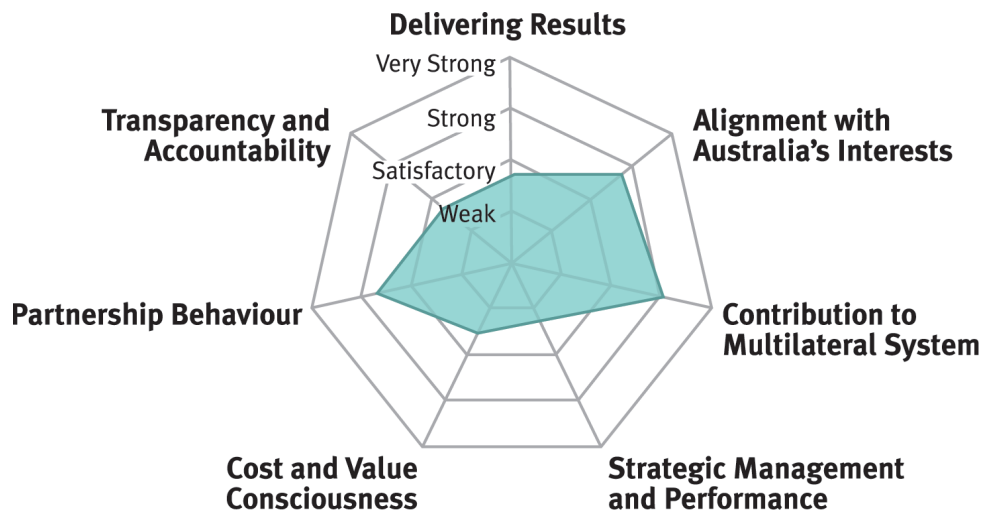


Australian Multilateral Assessment March 2012

Food and Agriculture Organization (FAO)



OVERVIEW OF ORGANISATION RATINGS



ORGANISATION OVERVIEW

The Food and Agriculture Organization (FAO) is the lead United Nations (UN) agency for agriculture, fisheries, forestry and rural development. Its mandate is to offer member states the technical and policy capability to raise their levels of nutrition, improve agricultural productivity, better the lives of rural populations and contribute to the growth of the world economy while safeguarding natural resources.

Food security has become a central focus of FAO. Its reformed Committee on World Food Security plays a significant role in contributing to the global governance of food security.

The core functions of the FAO include:

- > collecting, analysing and disseminating information and statistics to its members, particularly about medium and long-term trends
- > developing international instruments, norms and standards

- > providing advice and capacity-building for agricultural policy makers
- > contributing to emergency and post-emergency assistance at member states' request, through its global network of experts, and
- > assisting member states and the international financing institutions with the programming of their investments in agriculture.

FAO's overall program of work is funded by assessed and voluntary contributions. In 2010 it implemented programs and projects with a value of US\$903 million. FAO operates in 138 countries with country, sub-regional or regional offices in 88 countries.

FAO is undergoing one of the most comprehensive reform programs in the UN system—the results of which are only just beginning to show.

Australia is an active member of FAO and co-chairs, with New Zealand, its South West Pacific regional group. The Department of Agriculture, Fisheries and Forestry (DAFF) leads Australia's engagement with FAO and has a Minister-Counsellor (Agriculture) permanently based in Rome.

Australia provided \$17.9 million to FAO including \$10.3 million of assessed contributions and \$7.6 million of non-core contributions.

RESULTS AND RELEVANCE

1. Delivering results on poverty and sustainable development in line with mandate

SATISFACTORY

FAO performs functions which are important in addressing key aspects of poverty and sustainable development. Its weak results framework is a major constraint in demonstrating results.

FAO's functions of standard-setting, providing specialist expertise and compiling and distributing information seem to be fulfilled. The most positive feedback from Australian overseas missions was in relation to FAO's work in emergency relief, including in the Horn of Africa. This is consistent with feedback received during Australian Multilateral Assessment's field visit to Sri Lanka, where the government praised FAO for providing seeds and farming inputs for displaced farmers immediately after peace was restored to the northern provinces in 2009.

FAO's work in animal disease control, notably avian influenza and the global eradication of rinderpest, and illegal fishing are other examples where FAO has made a major contribution. FAO also contributes to tangible achievements through its involvement in normative and standard setting bodies. FAO has also played an important role assisting governments and International Financial Institutions to program US\$4 billion of investments in agriculture in 2010.

FAO's reporting framework enables only a limited assessment of results. The framework lacks indicators with benchmarks and targets at country and program levels. A new results-based framework has been introduced to support the 2010–13 Medium Term Plan. A substantial improvement in results reporting is likely in the next biennium (2012–13) because of a step up in the specification of expected results in FAO's program of work and budget.

Feedback at country-level indicates FAO programs in-country sometimes lack focus and strategic direction. Its standard-setting and knowledge functions tend to benefit entire populations rather than just the poorest. However, some of its functions, such as contributions to early warnings of food emergencies, have the greatest benefit for poorest countries and regions.

a) Demonstrates development or humanitarian results consistent with mandate	SATISFACTORY
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FAO is in the process of undertaking a comprehensive reform process, the results of which are only just beginning to show. There is an extensive, detailed narrative of the results of FAO's Regular Programme Funds for each biennium in the Programme Implementation Report. The most recent report is for 2008–09 (it is described further in 1(b) below).

However, the format of the *Programme Implementation Report 2008–09* required that results of FAO's work are presented in global terms. As a consequence it doesn't contain results relating to specific countries or regions. So it is difficult to discern, except in an impressionistic way, which are the regions or countries where FAO programs have been most effective, and where it has been less effective. FAO has indicated that it will strengthen the reporting of results in the next *Programme Implementation Report*, building on lessons from the 2010 Mid Term Review.

The Australian Multilateral Assessment notes that FAO's contributions to emergency and post-emergency assistance operations are an exception: they are well documented in case-by-case reporting on the assistance operations, and in evaluations of them.

FAO plays an important role in translating its knowledge, norms and standards and public goods into policies and policy support to member countries to achieve their development goals.

Reports for FAO regions add something to the organisation-wide reporting, but those for the Asia-Pacific region are in the form of region-wide narratives of successful programs. There is evidence to suggest that FAO plays an important role at the regional and sub-regional level, particularly through their forestry, fisheries and water programs that address trans-boundary issues such as diseases and plant pests and the management of common natural resources such as fish stocks and forests. Successful examples of FAO's regional engagement include the Integrated Pest Management program in Asia and its partnerships with Regional Economic Integration Organizations.

The available evidence suggests that country-level performance varies widely, despite recent efforts by FAO management to ensure more consistency and backup for country offices.

An Australian mission in Latin America has commented:

FAO conducts a range of work in Latin America on food security, agriculture and rural development. This includes everything from applied research, advocacy, extension, capacity-building, institutional strengthening, knowledge sharing, agricultural productivity, value-chains, disaster risk reduction, climate change, market-access, food safety, policy dialogue, support for legislature, and convening international and

regional meetings. While this broad spectrum of work allows the FAO to address the issue of food security from a multi-dimensional perspective, it does dilute the impact the organisation can have in any one particular area.

More positive views of FAO were expressed during the Australian Multilateral Assessment field visits to Africa about its contribution to the Horn of Africa food crisis: it was thought that FAO's performance was relatively strong. Examples included early warning, where FAO's technical capacity was good, and in moving the debate beyond food to livelihoods and recovery.

FAO also contributes to tangible achievements through its involvement in normative and standard setting bodies and global policy. For example, the International Treaty on Plant Genetic Resources for Food and Agriculture, to which FAO provides the secretariat, facilitates some 800 transfers of plant material for breeding each day, mainly among developing countries.

b) Plays critical role in improving aid effectiveness through results monitoring	WEAK
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The FAO reporting framework enables only a limited assessment of results, because until recently at country-levels it has contained no system of indicators with benchmark and target levels. The Australian Multilateral Assessment recognises that FAO is implementing a new results-based management framework as part of its reform program which is expected to significantly improve FAO's ability to report on results. However, significant improvements are not anticipated until 2012–13.

To date, the principal vehicle for reporting against expected results for FAO as a whole has been the biennial *Programme Implementation Report*. The reporting framework for the 2008–09 report enabled only a limited assessment of results because at country and program-levels it did not contain a system of indicators with benchmark and target levels, nor any other guide as to whether the sets of positive results reported are as much as could reasonably have been expected, or more, or less. This has been left for members of FAO's governing bodies to assess for themselves. FAO has indicated that this is expected to be remedied in the reporting framework for the *2010–11 Programme Implementation Report*.

The most recent report, for 2008–09, shows for each program entity the state of delivery of planned outputs—those delivered, and also cancellations, unplanned outputs (added to plans in response to developments) and modifications. The *2008–09 Programme Implementation Report* also shows, derived from these figures, the percentage of outputs delivered in each program entity. These are generally high percentages: 88 per cent of adjusted planned outputs for the technical program, and 91 per cent for non-technical programs.

Annex 4 of the *2008–09 Programme Implementation Report* contains additional information for each program, including the constituent entities of the program and expenditure on the program and its sources. So the form of reporting against expected results in Annex 4 (unlike that in the printed version) makes transparent what has been spent on each program, as well as what has been achieved by way of results for that spending.

This reporting is creditable, and enables member states to make their own assessments of cost effectiveness at program or higher levels. However, some things are lacking in it:

- > explanations of at least the notable instances where program elements have been cancelled, delayed or modified, with explanations of at least the notable instances, and
- > management comments about the varying success of different program elements and the reasons behind this, the relative effectiveness of the different forms of partnership which are mentioned, or other aspects relevant to the desirability and prospects of continuing each program.

In short, the FAO system of specification of expected results and subsequent reporting makes possible, but does not encourage, feedback from variations in results to program management.

The 2011 Multilateral Organization Performance Assessment Network (MOPAN) report on FAO also notes that despite the promise of the new results-based framework, FAO still needs to work on linking outputs to outcomes and developing indicators, in particular around country strategies.

The Australian Multilateral Assessment notes that a substantial improvement in results reporting is likely in the next biennium 2012–13, because of a step up in specification of expected results in the Programme of Work and Budget for the biennium. It includes quantified targets for every program element. Moreover, the Australian Multilateral Assessment has seen the input to this from the Regional Office for Asia and the Pacific, which has corresponding quantified targets for the program elements at regional level.

c) Where relevant, targets the poorest people and in areas where progress against the MDGs is lagging

SATISFACTORY

The standard setting and knowledge functions of FAO benefit its members as a whole. But some of its functions benefit, at least potentially, the poorest countries and regions or groups within countries. This includes in particular its contributions to early warnings of food emergencies, and its part in responses to them.

There are indications that FAO has delivered results well in food emergencies in post-conflict or fragile states.

During the Horn of Africa food crisis, FAO has contributed substantially to humanitarian relief through its work on the Livestock Emergency Guidelines and Standards. The guidelines are intended for use in design, implementation and assessment of livestock interventions in humanitarian crises. They are a valuable guide to best practice, and FAO plays a major part in maintaining and applying them.

FAO has established programs in Central Africa to alleviate poverty and enhance food security through non-wood forest products. These programs specifically seek to ‘improve the livelihoods of the poorest segments of the population’.

One Australian overseas mission commented that the best projects managed by FAO are seed provision and short-term technical assistance in humanitarian crises, and that this is an important and necessary part of the recovery effort and targets the poorest people.

2. Alignment with Australia’s aid priorities and national interests	STRONG
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FAO’s mandate relates directly to the strategic goals of Australia’s aid program of investing in sustainable economic growth through improved food security, and less directly to private sector development and reducing the negative impacts of climate change.

FAO’s distinctive functions of helping to set, maintain and implement international standards for foods, and its shared function of contributing to food security, are important for Australia’s broader interests as a major food-producing nation and agricultural exporter. They also help to underpin agricultural development in developing countries, including least developed countries, by providing a forum for developing the common standards necessary to participate in global markets and develop domestic production.

The 2011 Multilateral Organization Performance Assessment Network (MOPAN) report on FAO indicates that FAO performs adequately on crosscutting issues.

A recent FAO gender audit report found that performance on gender issues has not been particularly strong and that FAO sets its gender targets lower than the levels recommended by the UN. FAO has taken steps to address this, including by raising its target to equal representation by men and women at the professional and higher categories, increasing funding specifically for gender issues and targeting a further increase in gender-related activities in the coming biennium.

The 2011 MOPAN assessment reports that FAO gives no specific attention to disability-inclusive development. FAO’s work on disabilities in rural areas was discontinued as it was not part of the strategic framework endorsed by member states.

FAO has a generally good record of responding to crises, including in fragile states, and of coordinating and assisting other agencies through the food security cluster which it co leads with the World Food Programme.

a) Allocates resources and delivers results in support of, and responsive to, Australia’s development objectives	STRONG
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FAO’s distinctive functions of helping to set, maintain and implement international standards for foods, and its shared function of contributing to food security, are important for Australia’s broader interests as a major food producing nation and agricultural exporter. They also help to underpin agricultural development in developing countries, including least developed countries, by providing a forum for developing the common standards necessary to participate in global markets and develop domestic production.

Australia, as a major food producing nation and agricultural exporter, relies significantly on the trade facilitation work of the FAO and its affiliated entities, such as the Codex Alimentarius and the International Plant Protection Convention, which are the World Trade Organization (WTO) reference bodies for food safety and plant quarantine standards.

Long-term access to genetic resources for Australian agricultural industries is safeguarded through the Commission on Genetic Resources for Food and Agriculture, which oversees the maintenance of genetic resources across a number of areas including the International Treaty on Plant Genetic Resources for Food and Agriculture.

Australian interests are also protected by FAO’s fisheries and forestry management, notably its contribution to international efforts to combat Illegal, Unreported and Unregulated fishing.

Food security is a major issue for Australia and an increasing focus of the FAO. FAO has contributed constructively to G20 debates on this issue, and provides a range of information services which help to inform international opinion.

b) Effectively targets development concerns and promotes issues consistent with Australian priorities	STRONG
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FAO’s mandate—creating a world free of hunger and malnutrition, where food and agriculture contribute to improving the living standards of all, especially the poorest, in an economically, socially and environmentally sustainable manner—is central to achieving Millennium Development Goal (MDG) 1 (Eradicate extreme poverty and hunger), and important for long-term food security.

This relates directly to the strategic goals of the aid program set out in *An Effective Aid Program for Australia*, in particular investing in sustainable economic growth through improved food security, and less directly to private sector development and reducing the negative impacts of climate change.

FAO contributes to other MDGs, particularly MDG 3 on gender equality and MDG 7 on environmental sustainability. It provides support for sustainable management of genetic resources for food and agriculture, managing natural resources for conservation and sustainable use, including efficiency in use of water for agriculture; improvement of soil productivity; sustainable management of forests, aquaculture and inland fisheries; integrated crop and livestock systems; pesticide management; and watershed management.

There is also a humanitarian dimension of FAO’s mandate. It gives high priority to early warning of food emergencies, nutrition assistance in emergency situations, and improved preparedness through sustainable food security policies. FAO also performs a normative function in preparing guidelines and statistics in risk reduction and building resilience to natural disturbances such as forest fires, floods and earthquakes.

c) Focuses on crosscutting issues, particularly gender, environment and people with disabilities	SATISFACTORY
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Evidence gathered for the 2011 MOPAN assessment indicates that FAO is adequate with respect to most crosscutting issues, although it gives no specific attention to disability-inclusive development.

A recent FAO gender audit report found that performance on gender issues has not been particularly strong and that FAO sets its gender targets lower than the levels

recommended by the United Nations. FAO has taken steps to address this, including setting targets for equal representation by men and women at the professional and higher categories, appointing gender focal points and increasing funding specifically for gender issues. FAO has adopted the UN system wide policy on gender equality and the empowerment of women. The new FAO strategic framework includes a strategic objective on gender, and from January 2012 gender indicators will be included in all strategic objectives. Further evidence of the increased focus by FAO on gender is the 2010–11 State of Food and Agriculture Report on *Women in Development: closing the gender gap for development* which quantified for the first time the worldwide losses to food security resulting from women’s unequal access to land and other productive resources.

FAO supports implementation of the major environmental conventions: the United Nations Framework Convention on Climate Change, the United Nations Convention on Biological Diversity, and the United Nations Convention to Combat Desertification.

A positive comment was made by an Australian overseas mission about the design of a new FAO activity in Guatemala which has a good focus on gender and environment integrated into the reconstruction work.

d) Performs effectively in fragile states	STRONG
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FAO has a generally good record of responding to crises, including in fragile states, and of coordinating and assisting other agencies through the food security cluster which it co-leads with the World Food Programme.

For example, the Australian Multilateral Assessment field visit to Sri Lanka found that the Government Task Force for the Reconstruction of the Northern Provinces and the Ministry of Agriculture both strongly endorsed the assistance provided by FAO immediately after peace was restored to the northern provinces in 2009. They particularly praised the speedy response by FAO to requests for assistance to enable farmers displaced by the conflict to replant crops before the close of the planting season.

FAO makes a significant contribution to longer-term food security in fragile states and protracted crises through the twin-track approach with policies that link immediate hunger relief interventions with long-term strategies for sustainable growth. This approach has been used in recent years in Somalia, Sudan, Eritrea and Ethiopia with donors, governments and financing institutions increasingly aligning their resource commitments to the twin-track approach.

3. Contribution to the wider multilateral development system	STRONG
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FAO has a number of functions which are important in the multilateral development system, for example co-leading with the World Food Programme the global food security cluster in emergency and post-emergency interventions and coordinating across the United Nations system recovery of rural livelihoods. It fulfills these functions to a fair extent. FAO actively promotes multilateral cooperation. It coordinates the Committee on World Food Security, which is the only multilateral forum for food security issues,

bringing together member countries, relevant UN agencies, international organisations, civil society, the private sector and philanthropic organisations.

FAO has a distinctive role in setting norms and standards. Among other roles it supports the Codex Alimentarius Commission, the Commission on Genetic Resources for Food and Agriculture and the International Plant Protection Convention and providing the secretariat of the International Treaty on Plant Genetic Resources for Food and Agriculture, which facilitates the exchange and conservation of plant genetic material related to agriculture. FAO also leads global policy in areas of significant importance to least developed and developing countries, including on illegal fishing, land tenure and agricultural chemicals.

In general, FAO's knowledge products are distinctive and of a high standard. It makes significant contributions to knowledge about aspects of agricultural production and food insecurity, including as the international lead in producing global statistics, analysis and reports (such as the food price index, the annual State of Food and Agriculture reports and annual State of Food Insecurity in the World reports). FAO also plays an important role in providing reports on agricultural output and medium and long-term outlook for food and agriculture. The G20 recently recognised FAO's lead role in this area, by requesting it host the Agriculture Food Market Information System, which aims to improve agricultural market information and minimise food price volatility and its effects on the most vulnerable.

a) Plays a critical role at global or national-level in coordinating development or humanitarian efforts	STRONG
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Some of FAO's distinctive contributions in this respect are:

- > its initiatives over the last two decades to draw attention to aspects of food security and mobilise support for action on them
- > the Committee on World Food Security, the only multilateral forum for food security issues, bringing together all countries, as well as relevant UN agencies, international organisations, civil society, the private sector and philanthropic organisations
- > FAO chairs the Collaborative Partnership on Forests that supports the United Nations Forum on Forests process and coordinates activities in forestry between 14 UN and international agencies
- > FAO holds memorandums of understanding with 27 financial institutions providing advice to organisations such as the World Bank and International Fund for Agricultural Development, to program their investments in agriculture and food security
- > co-leading with the World Food Programme the global food security cluster in emergency and post-emergency interventions, coordinating across the UN system those aspects which provide for recovery of rural livelihoods
- > providing from 2007 to 2010 the Chair for UN-Water, which brought together a network of UN agencies to develop a mechanism with operational guidelines and specific activities, and
- > mobilising support and international action to counter illegal fishing.

b) Plays a leading role in developing norms and standards or in providing large-scale finance or specialist expertise
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SATISFACTORY

FAO's distinctive contributions in this respect (in addition to those in 3(a) above) are:

- > facilitating international trade in agricultural produce, through standard setting and as the WTO designated technical agency
- > providing the secretariat to the Commission on Genetic Resources for Food and Agriculture (which negotiated the International Treaty) that supports the discussion and negotiation of matters relating to biodiversity for food and agriculture including access and benefit-sharing, global plans of action and internationally agreed genebank standards
- > supporting the International Plant Protection Convention (IPPC), through information inputs, promotion and policy advice
- > providing the main support for the Codex Alimentarius Commission, which sets international standards for food safety
- > extensive global work on animal health issues, including the eradication of rinderpest and programs to control avian influenza
- > supporting the Collaborative Partnership on Forests Working Group advising the UN Forum on Forests process on gaps and ways forward for forest finance on a global scale
- > supporting international legislation to control trade in and use of agrochemicals, and
- > providing the secretariat of the International Treaty on Plant Genetic Resources for Food and Agriculture, which regulates the exchange of plant genetic material related to agriculture.

c) Fills a policy or knowledge gap or develops innovative approaches

VERY STRONG

FAO's contributions in this respect (in addition to those in 3(a) and 3(b) above) are:

- > its major contributions to knowledge about a wide range of aspects of agricultural production—as the international lead in producing global statistics, analysis and the annual *State of Food and Agriculture* and *State of Food Insecurity in the World* reports
- > its work on compiling a regular food price index and other market monitoring publications
- > supporting the Commission on Genetic Resources for Food and Agriculture that oversees global assessments of the state of the world's plant and animal genetic resources for food and agriculture and negotiated major international instruments including the International Treaty on Plant Genetic Resources for Food and Agriculture
- > providing a database and information service which is vital for forest conservation, reforestation and REDD, through recommending proper seed sources for reforestation and tree planting, and

- > leading the establishment of a One-UN entry point to information and data on the water sector, and the Aquastat tool used for international monitoring.

In general, FAO's knowledge products are distinctive and of a high standard.

ORGANISATIONAL BEHAVIOUR

4. Strategic management and performance

WEAK

FAO's mandate is extremely broad and its programs at global level and regional level aim for a wide range of expected results, which seem in number and content to be out of proportion to the resources likely to be available for the organisation to pursue them. The program of institutional reforms launched in 2008 for the five years 2009–13 (the 'Immediate Plan of Action') seems to be making good progress and is likely to bring improvements in planning and management for the next biennium 2012–13. As of now, however, it is not possible to say that the institutional reforms have produced substantial improvements across the organisation.

FAO does not do well in allocating resources to the highest priorities according to country needs and/or its comparative advantage, or in reallocating resources to where it obtains the best results. A key constraint to this is the varying and divergent views of its 191 member states that make up its governing bodies, making the setting and changing of priorities extremely difficult. FAO needs to narrow its focus to those areas where it can deliver the most significant results.

FAO is planning to develop, by the end of 2012, a country programming framework for each country in which it operates. These will guide FAO activity and investment in each country and give much more transparency to its operations and results. The rapid and effective development of these frameworks in the countries in which FAO operates will help with prioritisation and resource allocation at a country-level.

FAO has an adequate evaluation policy, which includes formulating management responses to evaluation lessons, and presenting opportunities for attention by its governing bodies. FAO's evaluation unit seems to be independent and productive. A management response to each evaluation indicates whether recommendations are fully, partly or not accepted. There is little information about the extent to which evaluations and management responses lead to useful lessons that are applied, as appropriate, to new programs.

FAO's leadership has not been strong. Feedback at country-level confirms that the quality of country managers is critical to FAO's effectiveness. In the 2011 MOPAN assessment of stakeholders the lowest score amongst the 21 indicators was for managing human resources. Recent changes in internal leadership and human resources management have the potential to make demonstrable improvements at country-level if strongly pursued by the incoming Director General.

a) Has clear mandate, strategy and plans effectively implemented	WEAK
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FAO programs at global-level, and at regional-level the level in the Asia-Pacific, contain a wide range of expected results, which seem in number and content to be disproportionate with the resources likely to be available for FAO to pursue them.

Under the reporting system for the Programme Implementation Report 2008–09, generally favourable average levels of results-delivery are recorded, most of the indicators involved for assessing whether program components have been delivered are flexible, objectives can be adjusted mid-project, and the reporting system focuses only on positive results. According to FAO, its new performance management and reporting system for 2010–11 is more closely linked to the strategic framework by drawing greater links between indicators and targets.

Evidence gathered for the 2011 MOPAN assessment also suggests that FAO is generally weak with respect to strategic planning, although views differed across stakeholders.

The program of institutional reforms launched in 2008 for the five years 2009–13 (the ‘Immediate Plan of Action’) seems to be making good progress through the establishment of new country programming frameworks and strengthened results-based management systems and is likely to bring improvements in planning and management for the next biennium (2012–13). As of now, however, the Australian Multilateral Assessment cannot say that the institutional reforms have yet produced substantial improvements across the organisation.

b) Governing body is effective in guiding management	WEAK
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For eight years, the member states of FAO—donors in particular—have been pushing management to make a set of clearly needed reforms. The reforms launched in 2008 in the Immediate Plan of Action are well underway and have improved systems for planning, budgeting and managing by results. They include devolving more responsibility for planning and budgeting to the regional-level, with accompanying staffing and financial reforms.

But the effect of these reforms, especially for prioritising operations at country-level and ensuring they are implemented well, may continue to be hindered by the nature of decision making in the governing body and its relations with management, as well as by slowness in changing the organisational culture. Things are likely to become clearer only when the new Director General takes office in 2012.

c) Has a sound framework for monitoring and evaluation, and acts promptly to realign or amend programs not delivering results	SATISFACTORY
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FAO has an adequate evaluation policy, which includes the formulation of management responses to evaluation lessons, and opportunities for attention by the governing bodies. FAO has a full public disclosure policy on evaluation reports, management responses and follow-up reports.

The Office of Evaluation seems to be independent and productive and has implemented a system that tracks the status of all evaluations, subsequent management responses and follow-up reports. However, the coverage of independent evaluations does not cover the breadth of FAO's work, and it was recently decided as part of the reform measures described above to increase the resources for the evaluation unit and take other measures to improve it.

A management response to each evaluation indicates whether recommendations are fully, partly or not accepted. We have as yet little information about the extent to which evaluations and management responses lead to generation of useful lessons which are applied, as appropriate, in new programs.

d) Leadership is effective and human resources are well managed	WEAK
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In the 2011 MOPAN report, FAO was rated 'inadequate' on managing human resources. Of the 21 key performance indicators in the MOPAN assessment, FAO received the lowest mean score from respondents on 'Managing Human Resources'.

FAO's Immediate Plan of Action includes a comprehensive suite of human resources related reforms and improvements, including a new staff appraisal system and leadership training, which have the potential to make demonstrable improvements at both the headquarters and country-level. FAO has also developed a Culture Change Strategy and Plan of Action to support the implementation of human resources reforms.

FAO's leadership has not been strong. Feedback at country-level confirms that the quality of country managers is critical to FAO's effectiveness. Recent changes in internal leadership and human-resources management have the potential to make demonstrable improvements at country-level if strongly pursued by the incoming Director General.

An Australian overseas mission in Latin America has commented that while policies and systems in the regional office seem to be effective, they are not necessarily carried through to the country offices; and that policies and procedures dictated by headquarters can impact negatively on the effectiveness of country staff, for example in restricting their ability to travel on short notice or make public statements without clearance.

During a field visit to Sri Lanka the Australian Multilateral Assessment team were briefed on recent increases in the delegations of authority to the Country Director, and the positive effects of this on flexibility in operations.

5. Cost and value consciousness	SATISFACTORY
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FAO does not perform well in cost effectiveness at country-level. Some improvements have been made through the current institutional reforms to improve cost effectiveness at the organisation-wide level. The 2007 Independent External Evaluation found that FAO management had taken positive actions to achieve efficiency savings however it also identified a number of further areas where FAO could increase cost effectiveness such as administration and headquarter costs.

Available evidence, notably from the 2011 MOPAN assessment and feedback at country-level from Australian overseas missions, suggests that benchmarking and cross-agency comparisons are not widely used, and that value for money is not generally a strong part of the institutional culture at regional and country-levels.

The 2011 MOPAN assessment found questions remained about procurement and contract management systems, including as they related to cost effectiveness. MOPAN cited a 2007 evaluation and 2008–09 external audit which found procurement and contract management systems unsatisfactory due, among other things, to the absence of comparative data to measure cost and delivery times.

The Australian Multilateral Assessment understands that FAO does not fund other entities to any great extent, and therefore the criteria ‘challenges partners on value for money’ does not apply.

a) Governing body and management regularly scrutinise costs and assess value for money	SATISFACTORY
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Management has had a series of challenges from the governing body, has made several sets of cost reductions, and has put in place a program of further ones. A 2007 independent external evaluation of FAO ‘credited’ and ‘commended’ FAO management on the actions taken to increase efficiency and effectiveness.

Improvements have been made through the current institutional reforms to improve cost effectiveness at the organisation-wide level. The 2007 independent external evaluation found that FAO management had taken positive actions to achieve efficiency savings, however it also identified a number of further areas where FAO could increase cost effectiveness, such as administration and headquarter costs.

The available evidence, notably from the 2011 MOPAN report and also from within the Australian Government, suggests that benchmarking and cross-agency comparisons are not widely used, and that value for money is not generally a strong part of the institutional culture at regional and country-levels.

b) Rates of return and cost effectiveness are important factors in decision making	WEAK
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The 2011 MOPAN assessment found that questions remained about procurement and contract management systems, including as they related to cost effectiveness. MOPAN cited a 2007 evaluation and 2008–09 external audit which found procurement and contract management systems unsatisfactory due, among other things, to the absence of comparative data to measure cost and delivery times.

FAO has committed to improving procurement practice through the development of a new accountability and internal control framework, a comprehensive training program and posting international procurement officers to countries where FAO undertakes significant procurement, mainly for emergency projects.

c) Challenges and supports partners to think about value for money	N/A
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FAO management has pointed to its role at country-level in advising on priorities for public investment in the agricultural sector. The Australian Multilateral Assessment accepts that FAO plays this role but as yet has no country-level evidence about its effectiveness in it.

6. Partnership behaviour	STRONG
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FAO generally performs well in terms of partnership behaviour, particularly in emergency assistance. For example, during the response to the Horn of Africa drought and famine crisis, some non-government organisations reported that FAO was accessible, especially for smaller partners. They also reported that FAO acted as an effective facilitator, co-ordinator and bridge to governments. Reports from Australian overseas missions in Latin America noted that FAO plays an important coordinating role in the agricultural sector with a strong focus on longer-term issues such as ensuring supplies to rebuild stocks for the following year's crops.

In most instances, FAO's role in-country is limited to technical assistance. However, feedback from Australian overseas missions suggests that FAO has been effective in humanitarian relief situations where close engagement with partner systems is required.

At country-level there are examples of where FAO has given voice to stakeholders, for example working in an inclusive way with non-government organisations in the Horn of Africa. This is also demonstrated at a global level through reform to the Committee on World Food Security, which brings together civil society, the private sector and other stakeholders to discuss food security issues.

a) Works effectively in partnership with others	STRONG
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Evidence gathered for the 2011 MOPAN assessment indicates FAO is well regarded for its partnership behaviour, especially by its direct partners. Evidence gathered by the Australian Multilateral Assessment supports this. Examples include:

- > an Australian overseas mission in Latin America noted that FAO plays an important coordinating role in the agricultural sector, together with the World Food Programme, but is more focused on longer-term issues such as ensuring supplies to rebuild stocks for the following year's crops
- > in the Horn of Africa, some NGOs reported that FAO was accessible, especially for smaller partners, and acted as a facilitator, coordinator and bridge to governments, and
- > in Sri Lanka, FAO has worked closely with other donors in developing rehabilitation programs for the northern and eastern provinces affected by the conflict—FAO is providing essential data on cropping, food security and agricultural resources, and is improving its data collection to help the government coordinate donor support.

b) Places value on alignment with partner countries' priorities and systems	SATISFACTORY
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FAO is at least adequate in this respect. Assessment of documentary material for the 2011 MOPAN assessment found FAO deficient in respect of the Paris accord, but qualified this by noting that the relevant FAO role is limited to technical assistance.

Feedback from Australian overseas missions suggests FAO has been more effective in humanitarian relief situations, when use of country systems is often less relevant, than when providing technical assistance, which generally requires close engagement with partner systems.

c) Provides voice for partners and other stakeholders in decision making	STRONG
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As for 6(a) above. In addition, there are indications that where FAO has led what were previously the agriculture clusters in emergency situations, it has encouraged inclusive working relations with NGOs and other civil society groups. We found evidence of FAO working in an inclusive way with NGOs in the Horn of Africa, for example encouraging them to put forward project proposals.

7. Transparency and accountability	SATISFACTORY
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FAO operates with a reasonable degree of transparency and accountability. It publishes information about its operational and organisational matters at whole-of-organisation level, and this information is generally adequate in scope and content. All documents submitted to governing bodies (including policies and evaluations) are available on FAO's website. However, its policy on disclosure is not stated, and FAO has not signed up to the International Aid Transparency Initiative.

At global-level, FAO allocates its budget through a complex prioritisation process involving judgement, consultation with member states and negotiations among them. Biennial budgets are mostly set out in global terms and do not include country breakdowns of program components.

FAO's Office of the Inspector General reported institutional weaknesses in accountability mechanisms, including at country-level. FAO management has outlined an extensive set of remedial measures which have been, or are being taken. Measures put in place by FAO management are appropriate, but it too early to judge if they are effective in practice.

The Australian Multilateral Assessment understands that FAO does not fund other entities to any great extent and therefore the criteria 'promotes transparency in partners and recipients' does not apply.

a) Routinely publishes comprehensive operational information, subject to justifiable confidentiality	SATISFACTORY
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The information about operational and organisational matters which FAO publishes is, at the level of the whole organisation, generally adequate in scope and content.

All documents submitted to governing bodies (including policies and evaluations) are available on the public website.

However, FAO policy on disclosure is not stated, and FAO is not signed up to the International Aid Transparency Initiative.

There are limitations in the accessibility of documentation on current projects: some but not all project documents are available on FAO's website.

b) Is transparent in resource allocation, budget management and operational planning	WEAK
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FAO at global-level allocates its budget according to published criteria, in the sense that:

- > its biennial budgets contain a substantial explanation of how each program component relates to the projected situation of needs and FAO's ability to meet them, and
- > both its budget proposals and its budgets when finalised are published on the website near the time of being circulated to member states.

The allocation criteria are not formulaic—rather, there is a complex prioritisation process involving judgement, consultation with member states and negotiations among them. But FAO has this in common with many other UN agencies.

On the occasion of the 2010 conference for the Asia-Pacific region a broadly comparable statement of regional priorities was produced at the regional-level, although without showing budget allocations.

At country-level there is less transparency in resource allocation, because:

- > the biennial budgets are mostly in global terms and do not include regional or country breakdowns of the program components, and
- > while country work programs are produced and published periodically, they are not synchronous with the biennial budgets, and vary in the quality of their explanations.

The introduction of new country programming frameworks that link budget to the needs of member countries is expected to improve the transparency of resource allocations at the country-level. A new approach to the development of work plans that is aligned with the national planning cycle of partner countries is being piloted in eight countries.

The major deficiency in transparent management of financial resources is the unpredictability of voluntary contributions, which may or may not correspond to what has been proposed in the biennial budget. This unpredictability is due to collective decisions of member states about the level of assessed contributions, and individual decisions by donors about the amounts, and often also the earmarking, of their voluntary

contributions. Even when amounts have been committed by donors, delays in their disbursement can be disruptive for programs, especially if they affect distribution of seeds for planting seasons.

Management does its best to budget predictably despite these uncertainties, but naturally, can have only limited success. While a new resource mobilisation strategy has been developed in an effort to increase alignment of voluntary funding with objectives, it has yet to succeed.

c) Adheres to high standards of financial management, audit, risk management and fraud prevention	SATISFACTORY
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In most of these respects FAO performs adequately. There are some areas in which system improvements are being implemented and the reliability of the improved systems remains to be seen.

In 2009–10 the United Kingdom’s Audit Office, with Deloitte, made a comprehensive assessment of FAO’s approach to risk management and developed an initial organisation-wide risk assessment. The assessment recommended a new approach with an internally-led project, supported by specialised risk management consultants as needed, rather than a consultant-led approach as included under the Immediate Plan of Action. This recommendation was endorsed by the Finance Committee, and a more internally-led Enterprise Risk Management model is currently being piloted.

After FAO’s Office of the Inspector General reported institutional weaknesses in accountability mechanisms, particularly at country-level, it was decided that field accounting systems would be integrated with corporate systems with the introduction of the International Public Sector Accounting Standards in 2013.

In response to the draft MOPAN report, FAO management has described an extensive set of remedial measures which have been or are being taken. The Australian Multilateral Assessment considers that the measures put in place by FAO management are appropriate, but it remains to be seen, in particular through future audits, whether they prove effective in practice.

d) Promotes transparency and accountability in partners and recipients	N/A
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The Australian Multilateral Assessment understands that FAO does not fund other entities to any great extent, and so this criterion is not applicable.