Background to the Swedish assessments

In April 2007 Sweden adopted its first strategy for multilateral development cooperation. One of the strategy’s recommendations is to make regular structured assessments of the multilateral organisations receiving Swedish support. The strategy’s key concepts – relevance and effectiveness – are intended to guide the assessment of each organisation.

In spring 2008 assessments of multilateral organisations were conducted jointly by the Government Offices, Sida and Swedish embassies in developing countries. These assessments will be used as one of several inputs for budget decisions, the preparation of organisation strategies and policy dialogues. The main intention is for them to increase knowledge of the individual organisations and form a basis for following the development of each organisation. However, the assessments do not claim to be comprehensive. Nor should comparisons be made between organisations on the basis of this information. The forms for these assessments are being developed and routines for what information is to be gathered, assessed and reported are still being tested.
be reached in the Nordic group and providing that a speech does not deviate from common EU positions. At present FAO has more than 3700 employees, 1500 of whom are desk officers and managers, while the remainder have more administrative functions. Slightly more than half of them work at FAO headquarters in Rome while the remainder work at one of the organisation’s more than 100 offices around the world.

Financial information

Estimated income in the Regular Programme Budget for 2008–2009 is USD 880 million. Sweden’s share is 1.076 per cent, according to the UN scale of assessments for contributions, corresponding to some SEK 33 million; 51 per cent of these funds meet OECD/DAC aid criteria. FAO also receives income for special action during the year, known as extra-budgetary funding. In 2007 income in the Regular Programme Budget was USD 383 million and extra-budgetary funding was USD 390 million. Sweden is one of the largest providers of extra-budgetary funding. Sweden was ranked as the fifth largest donor with a contribution of almost USD 36 million. The largest donors were the EEC, Italy, the UN Trust Fund and Spain. Excluding disaster assistance, Sweden gave just under USD 9 million and came in eleventh place among donors.

<table>
<thead>
<tr>
<th>Swedish contributions</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total paid in Swedish contributions, SEK million</td>
<td>148</td>
<td>246</td>
<td>223</td>
</tr>
<tr>
<td>- of which contributions from the Government Offices, SEK million</td>
<td>29</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>- of which multilateral/bilateral support from Sida, SEK million</td>
<td>119</td>
<td>216</td>
<td>193</td>
</tr>
</tbody>
</table>

Assessment

Relevance in relation to Swedish development objectives

The overall assessment is that FAO is relevant to Sweden’s policy for global development. FAO has points of contact with all three of the Governments thematic priorities for development cooperation, but primarily with environment and climate and with gender equality. FAO also operates within other central components of Sweden’s policy for global development. The right to food has received increased attention as a human right and is now included in the FAO Strategic Framework. Indirectly, democracy and good governance are a priority objective since FAO is engaged in capacity building in institutions linked to agriculture and trade. The implementation of the Millennium Development Goals is a central FAO theme, and these goals have led to a stronger focus on the poverty reduction strategies of partner countries. Through Sida Sweden has signed a two-year partnership agreement for 2008–2009 with FAO in which three of the four main themes are gender and development; climate change; and knowledge exchange and capacity building.

In November 2004 the FAO Council decided to appoint an Independent External Evaluation, IEE, of the organisation. This was to be the largest evaluation ever carried out by a UN agency. Its report was presented in October 2007. According to the IEE, FAO policy work has high priority for almost all countries – except for some larger middle income countries – especially in Latin America. The Independent External Evaluation stresses that if FAO were to disappear tomorrow, much of it would need to be re-invented.

Internal effectiveness

FAO’s internal effectiveness is assessed as not being good; its management structure is hierarchical and is not adapted to a modern knowledge organisation. FAO is a centralised organisation where many secretariat decisions are taken at the highest level, as was highlighted in the IEE evaluation. The evaluation presented a substantial number of critical conclusions in a range of areas concerning both internal and external activities and proposed an extensive set of measures.

FAO uses results-based management but its system does not function satisfactorily due to deficiencies in the work of the organisation on its budget and programme of work. Much of FAO’s activities are measured in outputs and not in impacts, which means that FAO is too focused on outputs and does not focus enough on the expected impacts of its operations. FAO reports what outputs have been produced but says very little about what results have been achieved. In addition, very little use is made of results as a basis for allocating resources.

Over the years, the governing bodies, i.e. the Conference and Council on which member states are represented, have had great difficulty in setting priorities and taking decisions on strategies, largely due to a lack of support from members.

In UN contexts FAO has a unique gender and development plan of action, but the plan could function better than it does at present. The IEE gives a critical picture of FAO as blind to gender equality and as often portraying women as victims rather than important economic actors. Like most other multilateral organisations FAO has a low proportion of women in leading posts.
The IEE found that FAO’s evaluation system functions well in many respects, but recommended a number of measures to make it more independent and to make better systematic use of the results of evaluations. Even though its evaluation body is not independent, many member countries consider that it acts independently in practice.

Compared with other UN agencies FAO has been relatively free from corruption scandals, partly due to its extensive system of supervision and controls. The audit function in FAO has the necessary resources and functions relatively well. The deficiencies are in risk analysis. Internal audit needs to be decoupled to a greater extent from FAO management in order to increase its independence. The leadership must be seen as responsive to the conclusions and recommendations of its internal audit.

External effectiveness

FAO’s external effectiveness is assessed as not so good; in many contexts its operations do not meet the requirements that should be set up. FAO’s problems as a partner at country level are chiefly due to three factors: resource shortages, extensive bureaucracy and insufficient powers. In recent years there has been serious erosion of FAO’s core competence and therefore of its ability to deliver, all of which is attributable to reduced resources.

FAO’s administrative routines make its operational activities unwieldy and bureaucratic. Many operational decisions are taken at an unnecessarily high level. The delegation of powers to the field needs to be clarified, with more decision-making powers and financial responsibility for its regional offices.

FAO’s primary comparative advantages do not consist of running projects at country level. However, within its mandate FAO shares new knowledge with countries in order to produce action plans and strategies. The assessment of Swedish embassies is that FAO is less decentralised than many other UN organisations. Despite this its field operations do not always appear to have clear links to FAO work at global level. This is also something that the IEE has pointed out.

Trends

The IEE has presented proposals to improve the internal and external effectiveness of the Council’s work. The proposals have been given a positive reception by FAO management and discussions between management and staff have improved and intensified as a result of the IEE. Processes of change have also started in a number of areas. The governing bodies are now in a position to focus on the strategic issues and on increasing internal effectiveness.

The evaluation makes extensive criticism of both the governing bodies and FAO management, but it also concludes that FAO’s budget is set at an unrealistically low level. In view of this, the 2007 Conference adopted a budget that was unchanged in real terms for the two-year period for the first time.

The IEE considers that there is a serious misapprehension in many quarters about the size of FAO resources. They are assumed to be large, but the IEE considers that this is totally mistaken by any comparison. The IEE takes the view that the future relevance and effectiveness of FAO will depend on the organisation making a paradigm shift in its work on agricultural and rural development so as to focus on employment that gives poor people an income and access to food. The IEE proposes that action be taken in four clusters that are inter-related and inter-dependent: a) rekindling an FAO vision through a new strategic framework; b) investing in governance; c) institutional culture change and reform of administrative and management systems; and d) restructuring for effectiveness and efficiency in both headquarters and the field organisation.

The IEE considers that the objectives mentioned in the FAO Strategic Framework for 2000–2015 remain relevant. The IEE’s main conclusion is that FAO needs to be reformed and that this needs to be accompanied by additional resources.

In 2007 the UK’s aid body DFID (Department for International Development) carried out an evaluation of FAO effectiveness. This study refers to the IEE and agrees with much of what emerged in that evaluation. According to DFID, there is much that FAO does well, but also a great need for change in the organisation. The EU has a fundamentally positive view of FAO and now has a common vision for the organisation.

The members of FAO now expect the External Independent Evaluation to act as a positive new start for the organisation in terms both of leadership and of governance and the organisation as a whole.