PERFORMANCE AT A GLANCE

Food and Agriculture Organization (FAO)

NOVEMBER 2024



KEY FINDINGS

The deterioration of global food security conditions over the 2019-24 period and the growing urgency of global climate action have made FAO's mandate more relevant than ever. In 2023, about 733 million people faced hunger, around 2.33 billion lacked access to adequate food, 282 million people in 59 countries faced acute food insecurity, and over 2.8 billion (over one-third of the world's population) could not afford a healthy diet. Developing countries have been hit by multiple new and overlapping crises, including the COVID-19 pandemic, war in Ukraine, global economic turbulence and accelerating climate disruption – alongside longstanding structural challenges to food security. FAO is increasingly called upon to lead the response to these challenges, at global and national levels.

The MOPAN assessment concludes that FAO has retained its key strengths, and that these are well appreciated by its members and partners. It has a clear mandate, solid core functions, strong partnerships, and a commitment to strategic innovation. It has also taken positive steps to address issues raised in previous MOPAN assessments, including by diversifying its resource partners and strengthening internal coherence.



June 2024 -Aghdam, Azerbaijan

Discussing livestock management techniques as part of FAO's 'Development and application of sustainable sheep production' project. Photo: © FAO / Javid Gurbanov



Despite tight constraints on its core budget, FAO has embarked on an ambitious programme of reforms over the assessment period, which are delivering improvements in organisational effectiveness. Yet as many UN agencies, it faces a growing challenge with the rapid rise of earmarked contributions against the constraint of a regular budget that had remained flat for 12 years and only saw its first small increase in the 2024-25 biennium. This is hampering FAO's flexibility to allocate resources against its strategic objectives and stretching the capacity of its country offices. FAO is in the process of addressing these challenges. Solving them will call for close dialogue with Members, to create the preconditions for a progressive transition towards more sustainable funding practices in support of core functions.

This latest MOPAN assessment aims to provide a platform for dialogue between FAO and its membership, highlighting strengths on which FAO can build and issues that merit enhanced engagement. In this Brief, issued separately from the Assessment Report, we provide an overview of the main findings from the assessment, starting with a short description of the period prior to 2019, when the last MOPAN assessment was concluded. This is followed by an outline of FAO's organisational journey, including issues that FAO – Secretariat and Members alike – may wish to consider for the future.

BACKGROUND

For the past 15 years, FAO has gone through successive rounds of programmatic and organisational reforms. Following the 2007 independent external evaluation of FAO (IEE), a comprehensive organisational reform agenda (the 2009-11 "Immediate Plan of Action" or IPA) was launched, aimed at building an agile, efficient and effective 'fit for purpose' organisation. In 2011, new initiatives were launched to align the organisational structure and business processes with FAO's 2010-19 Strategic Framework. These reforms took place against a backdrop of financial austerity. For over two decades, FAO's assessed contributions had stayed flat, with budget cuts in, *inter alia*, human resource management and financial administration, despite the organisation's growing presence at decentralised levels (regional, subregional and country offices), increased extrabudgetary funding, and a growing workforce.



June 2024 - Khan Younis, Gaza Strip

FAO staff walking through a destroyed farm. Photo: © FAO / Yousef Alrozzi

September 2024 - Lake Titicaca, Bolivia

In the foreground, a variety of potatoes are displayed on a colorful textile. In the background, a villager of the farming community of Huatapampa stands in front of the sign of an FAO project to promote better production of potatoes in the region.

Photo: © FAO / Max Valencia



MAIN FINDINGS OF THE 2017-18 MOPAN ASSESSMENT

The 2017-18 MOPAN assessment acknowledged that FAO was an organisation in transformation. It had established a clear, compelling, and focused strategic vision that had fostered a more integrated, multidisciplinary way of working. In addition, FAO had demonstrated a clear commitment to working in partnerships, building on its knowledge base and longstanding relationships, and with a more strategic approach to resource mobilisation. Moreover, it had established high-quality financial management systems and improved its internal controls.

The institutional change process remained a work in progress, with some areas requiring further attention. FAO was yet to develop a fully functional enterprise risk management system with sufficient attention to strategic risks. Its financial model lacked clarity and funding needed to be diversified further. FAO also needed to reduce delays in delivery. The assessment pointed to shortcomings in the design and use of the corporate results framework. Although it commended FAO for its capability to respond in a timely manner in emergency contexts, it concluded that FAO had room for improvement in reaching its stated development results and delivering efficiently.

FAO'S PERFORMANCE JOURNEY 2019-24

FAO's growing relevance is driving important strategic and organisational changes

FAO's mandate is increasingly central to global challenges. During the 2019-24 period, the world has witnessed deteriorating food security conditions caused by multiple crises, including conflict and instability, climate change, economic shocks, supply chain disruptions, soaring energy prices, pests and diseases, including the COVID-19 pandemic. These overlapping crises have underscored FAO's role as a global leader in agriculture and food security, triggered innovation, reinforced partnerships, and driven FAO's resource mobilisation.

At the global level, FAO continues to play a vital role as a provider of science-based technical expertise and convenor of governments, experts and international partners. FAO Members continued to express their appreciation for FAO's expertise and regard the Organisation as relevant and responsive to their needs and priorities, including during the COVID-19 pandemic.



December 2023 -Tengeru, Tanzania

A drone is used to monitor crop production under a joint project with FAO, the European Union and the Government of the United Republic of Tanzania.

Photo: ©FAO/Belén Gutiérrez Carmona



Moreover, FAO has demonstrated an ability to innovate, both strategically and operationally. Building on its core functions, FAO seeks to support the 2030 Agenda through the transformation to more efficient, inclusive, resilient, and sustainable agrifood systems for better production, better nutrition, a better environment, and a better life, leaving no one behind. FAO's Strategic Framework 2022-31 is closely aligned with Agenda 2030 and has paved the way for new programmatic priorities and actions.

Internally, FAO has successfully introduced a new organisational structure with an innovative oversight and accountability framework, along with measures to strengthen vertical and horizontal coherence. It has created new entities to reflect its strategic priorities, including by appointing a Chief Scientist and establishing the Office for Science and Innovation, an Office of the SDGs, and an Office for Women and Youth. Other internal reforms have addressed enterprise resource planning, project cycle management, and human resource management, alongside professional development, new ways of working, an ethical workplace, and communication. Combined, these reforms have helped to better align the Organisation with its 2022-31 Strategic Framework and corresponding thematic and programmatic priorities.

FAO has continued to strengthen its internal oversight and control functions, and to modernise and streamline core business processes. It meets international control standards at all levels. FAO has policies, guidelines and measures against fraud and other corrupt practices, as well as sound performance tracking systems. The Office of the Inspector General was expanded, and its independence is respected. In addition, FAO established separate offices for the Ethics and Ombuds functions in 2020 and expressed a commitment to align their contractual arrangements with best practice, to ensure independence. Important steps were taken to reinforce FAO's project cycle management, enterprise risk management and the evaluation function. The quality of evaluations is improving, thanks to better quality assurance policies and practices. FAO has also made some progress on the protection from sexual exploitation and abuse (PSEA) and sexual harassment (SH), although more is needed. FAO recently introduced its first dedicated PSEA strategy with

defined roles and responsibilities and action plans to support its implementation. It is also revising its policy to protect from sexual harassment. The policy announced a victim-centred approach to SEA, which has yet to take hold. FAO has multiple complaints mechanisms in place, but has yet to build the trust of stakeholders in these systems.

Sharp rises in extra-budgetary project funding have made strategic resource allocation more challenging, and placed acute demands on FAO's country offices.

The growing demand for FAO's services at country level has resulted in a significant shift in its funding arrangements and business model, towards project delivery across a broadening spectrum of thematic and geographic areas. While the regular budget has remained fixed at USD 502.8 million per year, extrabudgetary (XB) funding, earmarked for specific projects and programmes, soared sharply from USD 0.91 billion in 2019 to over USD 1.57 billion in 2023, dropping only slightly in 2023 to USD 2.02 billion. FAO has successfully attracted resources from a larger group of resource partners, including the Global Environmental Facility, the Green Climate Fund, and International Financial Institutions. The expansion is most notable in the realm of emergency and resilience (accounting for 41 percent of FAO's portfolio in 2023) and climate change.

These inter-related shifts in its funding and business models have made it more challenging for FAO to allocate resources strategically in support of its mandate and strategic priorities. Although all XB funding must link to priorities in FAO's Strategic Framework 2022-31, there is nevertheless a risk that FAO's portfolio becomes overly projectized, hampering its aim of steering towards more medium-term, programmatic approaches to delivering its mandate. Some evaluations suggest that FAO's technical interventions are becoming increasingly 'downstream' and piecemeal. The rise in XB funding may also lead to the fragmentation of resources across too many operational areas, leaving some priorities underfunded. The large number of projects also poses a strain on FAO's business processes, which were not designed to support project-based work at this scale, with adverse effects on the timeliness, effectiveness and sustainability of FAO's work.



July 2024 - Bousra Ndawène, Senegal

A farmer ploughing his field in Bousra Nawene is benefiting from the FAO-led Senegal Regional Sahel Pastoralism support program. Photo: FAO/ Sylvain Cherkaoui



Recent growth in project funding has also resulted in a significant shift in responsibilities to the country office

level. The rapid growth of project work has brought a need for greater capacity in areas such as project cycle management, accountability for results, and 'back office' functions such as financial management, procurement, human resource management and enterprise risk management, and to streamline business processes and accountability structures. Compounding this, UNDS reforms have required FAO to intensify its coordination and collaboration with UN partners, requiring more decentralised capacity. Whether or not the current high levels of XB are sustained, strengthening FAO's decentralised structures is an urgent priority so as to mitigate higher delivery risks.

FAO has recognised this challenge and taken several initiatives in response. FAO has recognised this challenge and taken several initiatives in response, but remains constrained by its zero-growth regular budget. It initiated changes at decentralized levels in 2023, reorganising its regional and subregional offices to align with the new structure at headquarters. Since then, based on guidance and inputs from FAO's Governing Bodies, FAO management has developed proposals for a revised, modern and efficient decentralisation model. Its aim is to improve the organisation's ability to deliver at scale in-country, and to tailor its office structure better to the needs of specific country situations. For these and other reforms to succeed, however, adjustments will be needed both to FAO's business processes and to its funding profile.

To bring its reforms to a successful conclusion, FAO will need to establish an open dialogue with its members. Such a dialogue is needed to broaden ownership of reforms and build the confidence that is required for a progressive transition in funding practices.

Demonstrating how FAO contributes to results will be an important part of this. A results-based management system that allows FAO to plausibly demonstrate its own contribution to its programme priority areas (PPA) and ultimately the SDGs will be essential to attracting more flexible resources. While the previous Strategic Framework set out indicators for demonstrating FAO's contribution at various levels, the Strategic Framework 2022-31 has taken a different approach. FAO no longer seeks to measure its own contribution to development outcomes.



September 2023 – Vigo, Spain

Activity during the visit and inspections of Vigo Port of the international course on fisheries law, in collaboration with the Xunta de Galicia, the Port of Vigo, and MarinnLeg. This course is covered by a Letter of Acceptance between FAO and the co-organisers. Photo: © FAO/ Ricardo Castelo



August 2024 -Chereponi, North-East Region, Ghana

Chef Fatama
Binta and FAO are
empowering women
farmers through
fonio cultivation,
processing, and
selling. Fatama talks
to local women
farmers about how
a fonio machine will
speed up processing
and how it operates.
Photo: © FAO/
Fanjan Combrink

Instead, under the current results framework, it tracks its outputs, aggregated by country or theme, and the SDG targets to which those outputs are intended to contribute. Another challenge is the absence of results targets against the Four Betters (outcomes). Performance reporting therefore does not identify deviations between planned and actual results. While FAO has an important role to play as custodian of relevant SDGs indicators, the results data it generates does not provide a clear enough picture of how effective FAO's own activities have been, for organisational learning and accountability purposes. This makes it more challenging for funders to move towards more flexible or programmatic support. Addressing this will require FAO to rethink how it clusters its interventions around intended outcomes and to continue improving its enterprise resource planning systems.

There is also scope for FAO to improve the transparency of its budgeting and reporting, to build ownership of its (integrated) budget among Members and demonstrate that it uses resources to deliver results effectively and efficiently. FAO has embarked on a series of measures to improve its ability to map expenditure against its Strategic Framework. Its Transparency Portal launched in June 2024, with a Project Dashboard for XB funding and technical cooperation projects (financed from the regular budget), is intended to improve visibility of its sources of funding and their destination. Further improvements to the granularity and transparency of its Programme of Work and Budget, in line with the recommendations made by the UN Joint Inspection Unit, would further enhance consultations in governing bodies and member ownership.

The assessment also calls for further improvements in FAO's Enterprise Risk Management system. The rapid growth in FAO's project portfolio has exposed the Organisation to greater levels of risk, calling for more robust risk management systems. Over the past five years, FAO has indeed put in place the core architecture of a risk management system and worked towards building greater risk awareness into its management processes. With these efforts, FAO's approach to risk management is on a positive trajectory. However, the Joint Inspection Unit, the Office of the Inspector General and external auditors continue to report shortcomings in terms of internal control performance - notably with regard to enterprise risk management - that are worth addressing. The MOPAN assessment finds that risk awareness, while improved, remains low in certain areas, leading to inconsistent approaches to risk management. Similarly, while FAO confirms in its new PSEA policy its intention to effectively and proactively mitigate the risk of sexual exploitation and abuse, building leadership and ownership of the issue beyond headquarters will be crucial.



CONCLUSION

The transformation of FAO envisaged in the Strategic Framework 2022-31, with its innovative strategic pathway and programmatic priorities, has been set in motion. FAO has embarked on many processes to ensure it can deliver this ambitious agenda, which have resulted in some clear improvements in organisational systems and capacities over the assessment period.

However, the rapid growth in FAO's project portfolio – a mark of high and growing demand for FAO's expertise – has created new and urgent challenges for the organisation. These include challenges around the ability of the organisation to allocate its resources to address emerging needs, notably securing predictable resources to strengthen corporate systems and capacities within country offices.

In the short term, one option to consider would be to bridge this gap with voluntary resources so as to advance the reform of decentralized structures and to continue strengthening corporate systems, such as project cycle management, accountability for results, and 'back office' responsibilities such as financial management, procurement, human resource management and enterprise risk management.

In the longer term, however, sustainable solutions need to be found in dialogue with Members to secure higher amounts of flexible and unearmarked voluntary contributions. FAO and its members may want to consider elaborating solutions such as those currently being piloted in other UN organisations, including a gradual increase of core resources or a replenishment model. The *quid pro quo* for this shift will need to be a higher degree of transparency, accountability, stronger results-based management, exemplary oversight mechanisms and more inclusive and consultative governance. It is only through a close dialogue and cooperation between the Organisation and its Members that progressive adaptation in both organisational systems and funding practices can become possible, equipping FAO well for its future.

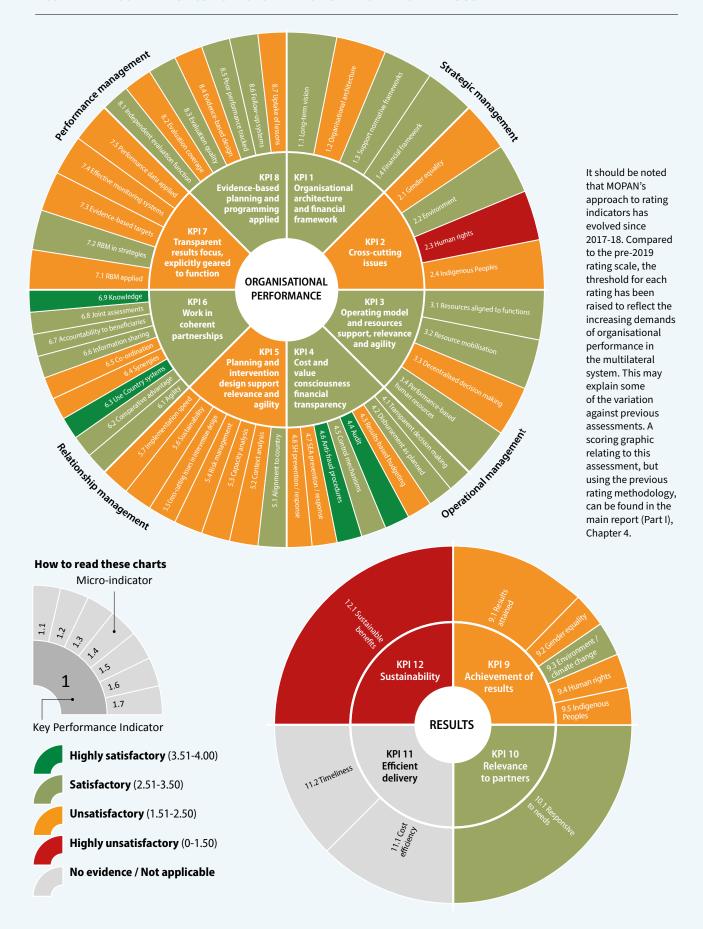
Figure 1 shows FAO's overall performance ratings over the review period, which have been satisfactory for achievements related to KPI 1 - organisational architecture and financial framework, KPI 3 - operational model and resources support relevance and agility, KPI 4 - cost and value consciousness, financial transparency, KPI 6 - partnerships, 8 KPI – evidence-based planning, and 10 - relevance to partners. KPIs 2 - cross-cutting issues, KPI 5 - planning and intervention design,



October 2024 -Rome, Italy

The FAO Committee on Food Security 52nd Session CFS52, held in the Ethiopia Room at FAO headquarters in Rome. Photo: © FAO / Andrea Spinelli Barrile

FIGURE 1: THE FOOD AND AGRICULTURE ORGANIZATION'S PERFORMANCE RATING SUMMARY





KPI 7 results focus, and KPI 9 achievement of results are scored as unsatisfactory, and KPI 12 on sustainability as highly unsatisfactory. As usual under the MOPAN methodology, FAO's results (outcomes) (KPIs 9-12) have been scored based on available data, but the confidence level in these scores is low due to limited evaluative evidence. For this reason, KPI 11 – results delivered efficiently - could not be assessed.

It should be noted that MOPAN's approach to rating indicators has evolved since 2017-18. Compared to the pre-2019 rating scale, the threshold for each rating has been raised to reflect the increasing demands of organisational performance in the multilateral system. This may explain some of the variation against previous assessments. A scoring graphic relating to this assessment, but using the previous rating methodology, can be found in the main report (Part I), Chapter 4.

Box 1. Main strengths and areas of opportunity

Main strengths

- FAO's mandate and its role as the UN's lead technical agency on agricultural and food systems is increasingly relevant to global challenges.
- FAO is strategically committed to and aligned with the 2030 Agenda, and its SDG data and knowledge products are appreciated by partners as a global public good.
- The organisation is valued for its technical competence by member countries and partners alike. Its convening power around normative work is highly appreciated within global fora and member states.
- FAO has successfully mobilised additional resources to respond to members' growing needs, notably from multilateral, vertical funds and IFIs, and diversified its financial partners.
- The organisation has continued to strengthen its internal oversight and control functions and its transparency, and modernised and streamlined core business processes.
- FAO has a clear commitment, dedicated strategies, and corporate capacity for working in partnerships, and put in place mechanisms to ensure accountability to affected populations.

Areas of opportunity

- The sharp and significant increase of project funding at the country level requires equipping country offices
 with the right capacities to ensure solid, high-quality delivery and accountability. It also requires more
 strategic and agile human resources management and strengthened performance of internal controls.
- To support important organisational reforms, FAO would benefit from investing in a dialogue with members to build the confidence required for a progressive transition in funding practices towards more flexible, programme-oriented forms of support.
- More transparent budgeting and reporting, combined with a results system that defines FAO's corporate
 outcomes and demonstrates the organisation's plausible contribution to results, would provide powerful
 incentives for FAO's members to engage in such a dialogue.
- Ensuring that its interventions have a sustainable effect requires FAO to give more consideration to how capacity development can support this and how it can cluster its fragmented interventions.
- FAO needs to strengthen the application of its internal control systems, including Enterprise Risk Management. In its work on to protect from sexual misconduct, ensuring ownership of this agenda at the decentralised levels will be a next important step.
- To manage, oversee and steer the many and complex transformation efforts in which FAO is currently invested, in a holistic manner, the organisation would benefit from a dedicated change management team.

FAO in figures

INSTITUTIONAL LEADS Canada, USA

195 Members

European Union

194 countries and the

Overview

FAO was established in 1945 as a specialised agency. Its vision is that of 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. FAO provides data and analysis; convenes stakeholders to share policy expertise; sets international norms on food and agriculture; supports countries in preventing and mitigating risks; and protects and rebuilds rural livelihoods. FAO has 195 members and is governed by the

Conference, the Council and several Council committees. Of its budget, 31% consists of assessed contributions and 69% of voluntary contributions (2023).

USD 2.52 billion

Overall 2022-23 budget 31% assessed contributions 69% voluntary contributions

Q m Q

Headquarters: **Rome** 5 Regional Offices 11 Sub-regional Offices 132 Country Offices

USD 15 million Flexible voluntary funding (2023)



FAOKEY FACTS
AND FIGURES



15 639 employees 21% staff and

79% non-staff human resources (December 2023)

Bilateral share of VCs: 56% (including EU) Multilateral share of VCs: 44% (2023)



Interventions:

59% Development 41% Emergency (2023)

KEY CONTRIBUTORS IN 2022/23

(total assessed and voluntary contributions)

TOP 10 MEMBER AND BILATERAL RESOURCE PARTNERS

Member	Contribution USD millions
United States of America	856
Germany	255
Japan	184
Norway	178
United Kingdom of Great Britain	139
Canada	138
China	130
Sweden	109
Netherlands	62
France	57

Strategic Framework 2022-31 4 Betters: Better Production,

4 Betters: Better Production,
Better Nutrition, Better
Environment, Better Life

TOP 10 ORGANISATIONAL RESOURCE PARTNERS

Resource Partner	Contribution USD millions
Global Environment Facility (GEF)	431
European Union	421
World Bank	280
Green Climate Fund (GCF)	194
UNOCHA pooled funds	179
UN joint trust fund administered by UNDP	168
Asian Development Bank	165
Bill and Melinda Gates foundation	32
UNEP	29
WFP administered joint trust fund	19

Source: FAO



ABOUT THE ASSESSMENT OF THE FOOD AND AGRICULTURE ORGANIZATION

The full MOPAN report provides a diagnostic assessment and snapshot of the organisational performance of the Food and Agriculture Organization (FAO) within its mandate. It covers the period from January 2019 through to April 2024, albeit evidence gathering was extended for specific areas to June 2024. This is the fourth MOPAN assessment of FAO and builds on those completed in 2011, 2014 and 2017-18. FAO was assessed through a rigorous process and a collaborative approach, integrating the perspectives of a wide range of stakeholders. It provides FAO and its members with a robust account of FAO's organisational strengths and the areas where improvements can be made. The assessment draws on multiple lines of evidence (documentary, survey, interviews) from sources within and outside the organisation to validate and triangulate findings across 12 key performance indicators (KPIs) which are further broken down into more than 220 individual indicators. The assessment framework reflects international best practice and has been customised to take account of FAO's individual mandate and circumstances.

THE ASSESSMENT APPROACH

The approach to Multilateral Organisation Performance Assessment Network (MOPAN) assessments has evolved over time to adjust to the needs of the multilateral system. Starting in 2020, all assessments have used the MOPAN 3.1 methodology (MOPAN 2020), which was endorsed by MOPAN members in early 2020. The framework draws on the international standards and reference points, as described in the MOPAN Methodology Manual that is publicly available on the MOPAN website.

ABOUT MOPAN

MOPAN is a network of 22 members¹ who assess multilateral organisations, shape performance standards, and champion learning and insights to strengthen development and humanitarian results and promote accountability. Capitalising on the Network's unique cross-multilateral system perspective and expertise, MOPAN members work together to deliver relevant, impartial, high-quality and timely performance information as a public good through an inclusive and transparent approach. MOPAN's performance information mitigates risks, informs decision-making and supports change, helping to increase knowledge and trust among all stakeholders and ultimately to achieve a stronger and better-performing multilateral system.



For more information