

“An Overview of Resource Mobilization and Management at FAO”

September 2013 Update

FAO’s Mobilization of Resources in 2012/13:

Against a background of global economic uncertainty, FAO’s resource mobilization performance and prospects are encouraging, as it is envisaged that the total voluntary contributions for the biennium 2012-13 will reach the target of USD 1.4 billion.

In 2012, resource mobilization (new approvals) reached USD 818 million. Although slightly lower than the volume mobilized in 2011, this amount exceeded the USD 750 million target for the first year of the biennium.

While some of FAO's traditional bilateral resource partners had to reduce voluntary contributions to the Organization, partners such as the European Union, the United States of America, Germany, Norway and the United Kingdom emphasized their commitment to FAO by maintaining or increasing their contributions.

2013 has seen FAO keep pace with its efforts from the corresponding eight month period in 2012. As shown in the table below, core funding for the Organization’s flagship global programmes has increased by over 80 percent. This is a welcome reversal of a three-year trend which had seen a large decline in funding for FAO core programmes and will help to underpin key areas of FAO work in the PWB14-15.

Funding to FAO’s field programme has also increased, while emergency funding appears to have dropped significantly. This is most likely in relation to the fact that development activities in crisis countries previously accounted as “emergencies” are now labeled as “development” .

Table 1: 2013 versus 2012 Resources Mobilized (USD)

	Jan - Aug 2012	Jan - Aug 2013	% Change
Total New Approvals	497,835	492,811	-1%
Emergency	248,466	185,063	-26%
Field	183,290	186,272	2%
Core	66,079	121,476	84%

Traditional & Innovative Funding Mechanisms:

In 2012 and 2013, FAO has received just over USD 783 million from traditional funding sources, which can otherwise be explained as contributions from a single resource partner to a project or programme.

These figures are stable with the previous biennium and account for 60 percent of all funding received in this biennium.

The remaining 40 percent of voluntary contributions received in this biennium come from innovative forms of funding. This represents an increase on former years, up USD 100 million on 2010/11. This is an encouraging sign for FAO as it attempts to expand and diversify its funding sources.

As part of this, a significant increase in funds comes from Multi-donor Trust Funds, with 214 million secured already this year, as opposed to USD 160 million only two years ago. In 2013, almost 25 percent of funding has come from Multi-donor Trust Funds.

Meanwhile, Unilateral Trust Funds, whereby recipient countries commit resources from their own budgets to partner with FAO, have accounted for over USD 150 million of contributions in the current biennium, which amounts to almost 12 percent of voluntary contributions. This is an encouraging upward trend, with 38 governments having funded projects which were approved in the last eighteen months. Most notable has been Saudi Arabia who have devoted USD 58 million under this modality.

Table 2: Analysis by Type of Partnership (USD 000)

Type of Partnership	2010/2011 Aug 2011	2012/2013 Aug 2013
Total Approvals	1,215,039	1,310,923
Total Traditional	788,147	783,261
Total Innovative	426,892	527,662
Mutli-donor	159,944	218,439
UN Multilateral Trust Funds	182,940	161,979
UTF Projects	84,009	152,244

Prospects for resource mobilization in 2014:

A concerted effort is required to ensure the prospects for new approvals are met in support of the current Programme of Work and the new Medium Term Plan 2014-2017. Moving forward, FAO will need to maintain and upscale resource mobilization efforts at all levels as well as ensure that the results are delivered.

While FAO will continue to work with traditional partners in 2014, the Organization has already secured USD 30 million from Equatorial Guinea and USD 10 million from Angola for the Africa Solidarity Trust Fund. The initiative marks an innovative new approach to boosting agricultural productivity and food security in the region by supporting Africa-led and Africa-owned initiatives under the CAADP framework.

Meanwhile, a moderate recovery in overall ODA is expected in 2014 according to research by the OECD. While development aid has fallen by around 3 percent in recent years due to the continuing financial crisis, it is expected that euro zone governments will loosen their ODA budgets in the coming years.

There is also a noticeable shift in aid allocations away from the poorest countries and towards middle-income countries, while several traditional resource partners have signaled their intention to focus more heavily on bilateral assistance and direct implementation for development programmes. These trends mean that FAO will continue to expand and diversify its resource mobilization efforts.

Delivery Update for 2012/13:

At the end of August 2013, updated delivery estimates are in line with what was originally planned in the PWB 2012-13, in terms of the voluntary contributions secured overall and for each Strategic Objective (SO).

The figure below shows the level of voluntary contributions that were estimated would be delivered in 2012-13 at the time of the preparation of the PWB 2012-13 in July 2009, aggregated by Strategic and Functional Objective. These estimates are compared to the most recent estimates of biennial delivery prepared by Management, and with biennial expenditures as at end August 2013.

Total actual delivery for 2013 is on track and in line with figures for 2012.

There are, however, important variances between Organizational Results within the SOs. Notably, some SOs have realized contributions for ORs that were not anticipated at the time of the PWB preparation.

For example, SO E, F, G and H show more than a 60% overall increase. These unpredicted spikes can be attributed to large global partnerships like UN-REDD, the Global Environment Facility and large national projects in Afghanistan, Somalia and Bangladesh.

Table 3: Delivery in 2012/2013 against Strategic Objectives

