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para la  
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Agenda Item 4

FAO, the New Strategic Framework, and the Role of Statistics

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## *Abstract*

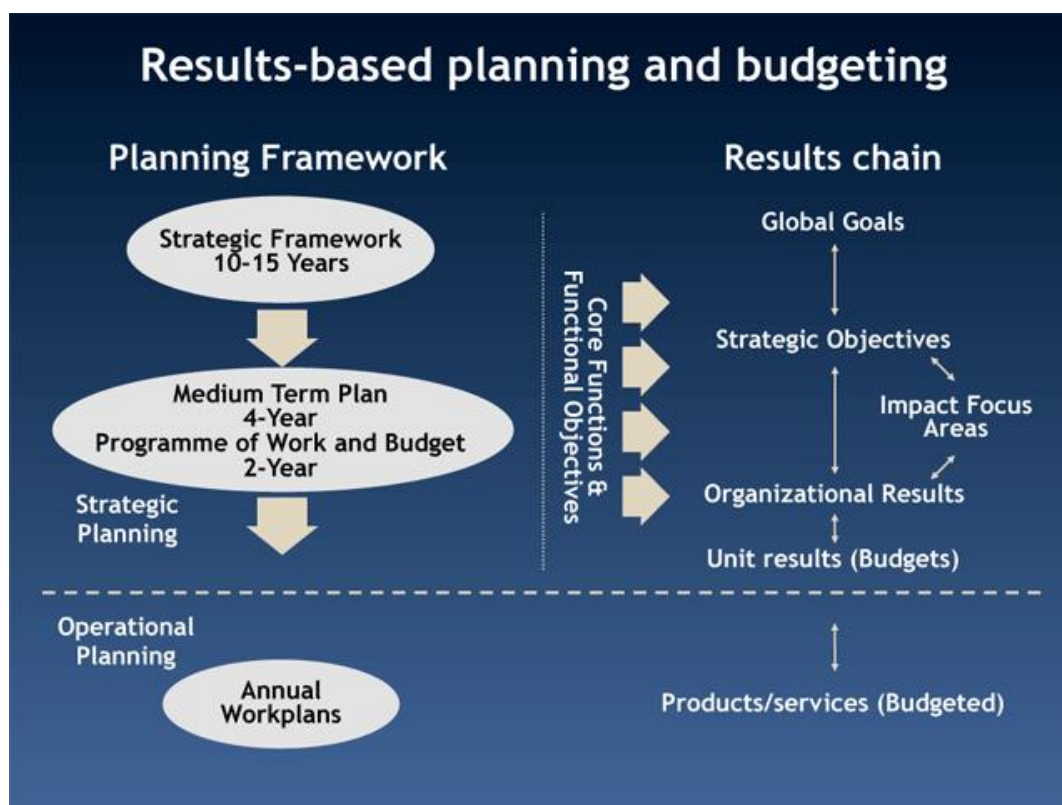
*FAO's Food Balance Sheets (FBS) are widely used for estimating levels of food and nutrition insecurity and in the monitoring of such trends over time. For three decades the FAO methodology has remained largely unaltered, but during this time substantial changes have occurred within agricultural sectors and in information technology, necessitating an overhaul to the methodologies underlying the FBS, as well as the workflows behind them. The need for change is further driven by the demand for more reliable, credible and timely evidence on food and nutrition security. In meeting these challenges, this paper proposes new methods for the compilation, measurement and classification of FBS. It is seen that the current human resource-intensive approach, combined with ICT growth, provides an opportunity to exploit technological innovations and reallocate human resources to higher value-added activities, such as research into country food situations and the changing dynamics of the agricultural sector.*

## 1. Introduction

The Food and Agriculture Organization (FAO) of the United Nations introduced, in 2010, its first results-based management<sup>1</sup> (RBM) hierarchy with a 10 year Strategic Framework (SF), a 3 year Medium Term Plan (MTP), and 2 year operational Programme of Work and Budget (PWB), the latter of which allocates resources in line with FAO's two-year budget cycle. The first formal RBM mechanisms were put in place in the 2010-2011 biennium with the creation of the FAO Strategic Framework, 2010-2019. This framework included the Organization's Global Goals, FAO's mandate, and the impacts that Member countries aim to achieve.

Throughout the transition towards an RBM, FAO's vision/mandate remained the same: A world free from 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. This vision supports the three Global Goals that Member countries aim to achieve: a) to eradicate hunger, food insecurity and malnutrition; 2) to eliminate poverty through economic and social progress for all; and 3) to ensure sustainable management and utilization of natural resources.

**Figure 1: Results Based Management and the Planning Framework**



<sup>1</sup> FAO (2013). *Results-based Management at FAO: Questions and Answers*. <http://www.fao.org/about/strategic-planning/rbm/en/>

RBM refers to a way of managing, planning and budgeting, monitoring and evaluating, and reporting results to shareholders, or in the case of FAO, member countries. It is a way of sharpening an organization's focus to ensure that all processes, products and services contribute to the achievement of desired results. It gives an "edge" to public sector management similar to what you would find in the business world, with many international and national development organizations adopting RBM in the past 10 years. Today, it is used throughout the United Nations system, and by many bilateral cooperation agencies. One of its key contributions is a shift towards a client focus, and an evaluation of activities, accomplishments and employee performance against client focused performance measures. In FAO terms this means focusing on increased accountability, to ensure that FAO will achieve visible and measurable country-level results.

While maintaining the RBM focus, in 2013 FAO established a new SF for the 2014-2015 biennium to better focus activities on organizational priorities; improve coordination and reduce duplication across Departments and Divisions; improve efficiencies; and support Results Based Management (RBM). Both the new and the old SF are a 10-year strategic planning document that define strategic objectives (SOs) in areas where FAO Members require the organization's services.

The next section describes the new SF, the rationale for the switch from the old SF, and the five key strategic objectives (SOs) and its one technical objective under the new SF. The final section concludes with key challenges, opportunities, and recommendations for discussion.

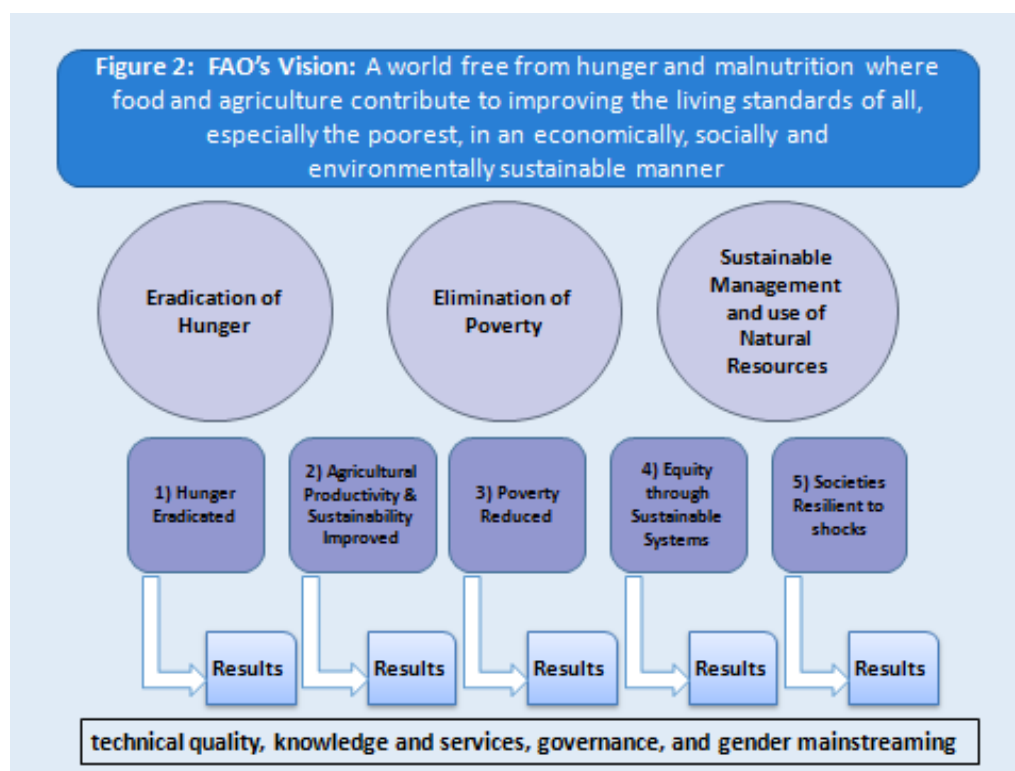
## **2. The new Strategic Framework**

The new Strategic Framework (SF) at FAO expresses the impact to be achieved in countries, regions and globally over a long-term timeframe (ten-years), and adopts a matrix structure for the delivery of the programme of work. It includes five trans-sectoral Strategic Objectives (SOs), along with a sixth technical objective focused on technical quality, knowledge and services and the two cross-cutting themes of gender and governance.

This new SF aims to integrate the specialized expertise of Divisions and Departments into the multi-disciplinary SOs and combines the expertise from Divisions with the guidance from SOs into a coherent, cross-cutting and comprehensive matrix. The five new SOs include the following:

- SO1: Contribute to the eradication of hunger, food insecurity and malnutrition;
- SO2: Increase and improve provision of goods and services from agriculture, forestry and fisheries in a sustainable manner;
- SO3: Reduce rural poverty;
- SO4: Enable more inclusive and efficient agricultural and food systems at local, national and international levels; *and*
- SO5: Increase the resilience of livelihoods to threats and crises.

Figure 2 provides the logic behind the SOs, and their link to FAO's vision and the three Global Goals of member countries.



The rationale for the move to a new SF reflects the challenges presented in aligning FAO's program of work with its organizational setup. While FAO's programme of work is highly multi-disciplinary, its organizational setup, in contrast, is based on a compartmentalized structure organized around specialized, mono-disciplinary Divisions and Departments. FAO's old SF, which included 11 SOs, was set around its organizational structure, which led to departmental and divisional silos, along with inefficiencies arising from duplication of work.

Under the new SF, priorities are set in a consultative process between management and FAO's Government Bodies. Management proposes a set of priorities through the MTP, based on an analysis of FAO's comparative strengths, the expressed needs of Members, FAO's track record, existing capacity, availability of other service providers, and other factors. These priorities may be subsequently modified based on input from FAO's Regional Conferences and Technical Committees..

The key benefits from the new integrated approach include the following:

- it aligns FAO priorities with the organizations' strategic objectives, and ensures all FAO activities support one or more of these strategic objectives (SO);
- it is demand driven, as it focuses on desired outcomes at country level, then identifying the inputs, activities and outputs needed to get there;
- duplication is reduced by moving towards elimination of departmental and divisional silos;
- expertise across the organization is better leveraged; *and*
- cost efficiencies are exploited both from reduced duplication, and by ensuring staff have the skills required to meet organizational priorities.

### 3. Statistics within the new Strategic Framework

Statistics is a core function of FAO and represents a highly visible area of the Organization's work. The heightened emphasis on evidence-based decision-making in governments and organizations at all levels puts a greater focus on the role of statistics, and the part it must play in measuring and monitoring progress towards national and international development goals and targets. FAO is at the forefront of these tasks, performing an essential role in helping to reduce hunger and poverty by informing decision-making through the provision of reliable and timely data.

FAO has a decentralized statistical system, with statistical activities taking place in several divisions across its seven departments: Agriculture and Consumer Protection; Economic and Social Development; Fisheries and Aquaculture; Forestry ; Corporate Services, Human Resources and Finance; Natural Resources Management and the Environment (NRC); and Technical Cooperation (TC). The director of Statistics Division (ESS) in the Economic and Social Development department, as Chief Statistician of FAO, is tasked with coordinating the statistical activities of the organization, as well as with other international organizations.

While statistical activities now fit within an SF with concrete and demand-driven objective, and play a significant role in facilitating the delivery of numerous key corporate products and services, statistics also serves two additional and vital purposes. First, it provides the evidence base on which priorities are set. Second, it provides the objective indicators that measure progress towards achieving the objectives.

The evidence-base provided by statistical measures is well known. For example, in contributing to the eradication of hunger and food security (SO1), statistics provides - the evidence that despite sufficient capacity in the world to produce enough food, an estimated 842 million people in 2011-13 suffered from chronic hunger. This is around one in eight people in the world. Asia and the Pacific, together with Latin America and the Caribbean, made the most progress in hunger reduction during the above period. Nevertheless, Asia and the Pacific remains the region with the highest number of undernourished – 528.7 million, or 11.8 percent of the region's population. Two countries, China and India, account for more than half of that figure<sup>2</sup>. The importance of increasing agricultural output in a *sustainable manner* (SO2) is underlined by the evidence that the food supply chain has increased waste, including global wastage of 24% of freshwater, 23% of crop land, and 23% of fertilizer.<sup>3</sup> The importance of reducing rural poverty (SO3) is underlined by the fact, that about 75% of the world's poor live in rural areas, affecting about 875 million people. These are only some examples.

<sup>2</sup> FAO (2013). The State of Food Insecurity in the World, 2013. <http://www.fao.org/publications/sofi/2013/en/>

<sup>3</sup> FAO (2013). FAO (2013) Strategic Objectives Toolkit. [http://intranet.fao.org/about\\_fao/sotoolkit/](http://intranet.fao.org/about_fao/sotoolkit/)

Because of the relative objectivity of sound statistical indicators, they have been used in setting and monitoring progress towards attaining international, regional, national and organizational targets. As such, they provide a way of monitoring progress towards FAO's progress in achieving its strategic objectives. This includes, for example, the Millennium Development Goals (MDG) and the Maputo Declaration.

Internationally, the first of nine MDGs - eradicating extreme poverty and hunger - set a statistically measurable target of halving, between 1990 and 2015, the proportion of people who suffer from hunger, measured by the prevalence of undernourishment (PoU). The Asia and Pacific region is well placed to achieve the Millennium Development hunger target of halving, by 2015, the proportion of hungry people in the population in 1990. Of the subregions, Southeast Asia has made the most rapid advance in reducing hunger, with a decline from 30.9 to 10.6 percent, thus achieving MDG 1. East Asia is second with a reduction from 22 to 10.6 percent, also making the MDG. Progress in South and Southwest Asia has been slower, especially in terms of the number of undernourished.

#### **4. Key challenges, opportunities and recommendations**

The rest of APCAS 25 here in Vientiane, Lao PDR will provide an opportunity to overview some of the key statistical areas of work undertaken by FAO. Topics such as the Global Strategy and the World Census of Agriculture, and statistical capacity building activities that underpin much of the work of the FAO Statistics division will be discussed. In addition, environmental statistics, economic statistics, and food security statistics will also be presented within the context of the new SF. But challenges remain, which include developing or identifying sound indicators of progress towards meeting these objectives; ensuring that countries provide the data necessary to estimate good indicators and FAO develops, in partnership with international organizations and country-level experts, solid methodologies behind our statistics and indicators, and creating a governance structure that supports both while also setting priorities for ever more scarce resources.

Towards that end, the following recommendations are proposed for discussion:

APCAS recommends that FAO establishes a **Commission on Agricultural Statistics at Global Level** in order to (a) ensure better coordination and standardization of the statistical activities ongoing in the Regions; (b) provide a global forum for Country Representatives to review and endorse methodological and other normative work; and (c) create a peer-review process for data published and methodologies used by FAO.

## 5 References

FAO (2013) Results-based Management at FAO: Questions and Answers.

<http://www.fao.org/about/strategic-planning/rbm/en/>

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