

NETHERLANDS-FAO TRUST FUND CO-OPERATION

(1985-2000)

Policy and Operations Evaluation

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Background information

In the 1990s, the Netherlands and FAO both supported agricultural development in Africa, Asia and Latin America. During that decade, some US\$ 324.4 million of Netherlands development funds were spent on this multi-bilateral co-operation. For some years, the Netherlands was the largest contributor of this type of development funding through FAO. These resources - distinct from the country's assessed contribution to FAO's regular budget as a member country - were held by FAO as trust funds for use in approved projects. Between 1990 and 1999, 110 such projects were undertaken in 50 individual countries. The Netherlands also funded 58 FAO trust fund projects that were regional or global in scope. Despite the volume of this development spending through FAO, the overall trust fund activity has never been reviewed in detail. A systematic assessment of the character and quality of this substantial joint co-operation, and of its implications for future Netherlands co-operation with FAO and developing countries, is long overdue. The purpose of this IOB evaluation is to undertake that assessment based on a representative sample of projects that was financed by the Netherlands government during the period under consideration.

Main findings

1. Character of Netherlands-FAO trust fund co-operation

During the annual co-operative programme meetings, the Netherlands repeatedly underlined the importance of FAO as an organisation in its own right and with its own (normative) functions. Nevertheless, the trust fund co-operation was basically built on the perception of FAO as an implementing agency facilitating the execution of parts of Netherlands aid policy. Several efforts were made to reformulate the co-operation with FAO on programmatic terms guided by an explicit overall Dutch policy. However, all these efforts failed. So one cannot speak of a Netherlands-FAO trust fund co-operation *programme*. This evaluation covers a ten-year assemblage of projects, designed and delivered on the basis of a spectrum of common understanding and interest – but increasingly hindered towards the end of the decade by growing confusion and lack of confidence.

2. Impact

There are few systematic data or studies on which to base an assessment of the impact of the sample projects. The four field missions undertaken as part of this review focused on this aspect of the assessment but found few signs of positive impacts on beneficiaries from the 19 projects that they investigated.

3. Sustainability

Overall, the sample trust fund projects showed severe shortcomings with respect to economic, financial and institutional sustainability.

4. Achievement of objectives

A crude measure of effectiveness is whether intended outcomes – that is, the project objectives as designed - were achieved. On this measure, the sample projects score fairly well. Performance on gender is adequate, and on environment it is good. Project characteristics found to be strongly linked with overall effectiveness include good design, good management, and strong participation in design and execution by

host authorities and target groups. Overall, this study has found that there is wide variation in effectiveness between projects of similar types, and between projects undertaken in the same regions and countries.

5. Efficiency

In the mid 1990s, growing pressure from its member countries and the deteriorating financial position led FAO to embark on a substantial reform programme covering decentralisation, planning, programming and budgeting. Although the recent decentralisation has not yet achieved an optimal use of all FAO's human resources, the organisation can no longer be accused of being a wasteful bureaucracy. However, the fact that this large multilateral bureaucracy was interacting on the projects reviewed here with another large bureaucracy in The Netherlands did nothing to enhance efficiency. Delays on desks in The Hague and Netherlands embassies often created problems for FAO and recipient countries.

6. FAO's comparative advantages

The special value of FAO is rooted in its global, multilateral scope and character, which means that one notable field of FAO's comparative advantage is in activities that cover more than one country. Projects that operated at regional or global scale did significantly better in terms of outcomes and likely impact than those undertaken at national or sub-national levels. Although this comparative strength of FAO was repeatedly acknowledged by the Netherlands, it did not explicitly guide the country's funding through FAO and, due to changes in Netherlands development policy during the 1990s, it has been increasingly ignored.

Issues for the future

Overall, one can perceive a trend in FAO back towards the normative activities that are at the heart of its mandate. After decades when extra-budgetary funding overshadowed members' assessed contributions and operational activities such as trust fund projects seemed to eclipse the largely normative work of the Regular Programme, the organisation is now slimming back down towards a greater focus on normative work and the Regular Programme. Nevertheless, FAO emphasises the necessary interaction between normative and operational activities. Too much emphasis on them as separate categories of work is unhelpful. FAO support is still often called for at field level, and FAO will always need exposure to field realities.

But it is clear that operational work will not continue on the scale of earlier decades.

The challenge to the Netherlands now is to take a clearer look at the mandate, capacity and strategies of FAO, and to define more clearly how they can match up with Netherlands development policy and resources. This evaluation aims to support that assessment. Perhaps, some 20 years after trust fund projects started, it can contribute to a first clear policy statement on how co-operation with FAO can help achieve Netherlands development policy objectives. This greater clarity should extend to the further development of the FAO-Netherlands Partnership Programme. Any new policy statement should acknowledge and plan to exploit the comparative advantages that FAO offers, notably in supranational work, normative activities and regional projects. Regional projects have been a particularly successful field of Netherlands-FAO co-operation that current Netherlands policy makes it particularly difficult to fund. There is scope for the Netherlands and FAO to work together in tackling some of the Millennium Development Goals. In all their joint endeavours, the two partners need to do more to achieve accurate and feasible planning and to ensure effective monitoring and evaluation.

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