

# INSUFFICIENT CONTROL OF EFFICIENCY AND DEVELOPMENT IMPACT IN THE U.N. SYSTEM

The Example of the Food and Agriculture Organisation of the United Nations (F.A.O.)\*

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## I. Need for permanent control of the UN Specialized Agencies

### 1. Proposals and Recommendations of the Brandt Report

The Report of the Independent Commission on International Development Issues, prepared under the Chairmanship of Willy Brandt ("North-South Commission"<sup>1</sup>), contains, inter alia, the recommendation that ". . . the UN System, which faces ever-expanding tasks, needs to be strengthened and made more efficient". The Commission, composed mainly of high-level personalities from developing countries, calls for "more coordination of budgets, programmes and personnel policies, to avoid duplication of tasks and wasteful overlapping"<sup>2</sup>. The Report affirms that ". . . growth in organizations and members has not been without its costs". This growth, it states, has led to a lack of clarity with regard to the tasks of the institutions, giving rise to "overlapping responsibilities and organizational rivalries"<sup>3</sup>. While the Brandt Report appears to agree with the UN Secretary-General in accepting "a certain degree of institutional escapism", it nevertheless expects from these institutions that they be "more economical in their use of time, staff and paper and . . . more accountable to their member governments and to the general public"<sup>4</sup>.

The Commission points explicitly to ". . . the need for the United Nations hierarchy, and for member governments at a high level, to pursue more vigorously this difficult but essential task of streamlining the system, with a view to achieving better coordination of budgets, programmes and personnel policies"<sup>5</sup>. In this connection, streamlining is seen as an essential condition if the United Nations system is to "command the public confidence and support which are necessary for the performance of its tasks in relation to world development". The Brandt Report suggests, therefore, the creation of "an external body to monitor the work of the different international bodies in the development fields . . .". This body "would aim to streamline the institutions, to define their objectives more clearly, and to achieve them more economically and effectively"<sup>6</sup>.

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\* This paper is a translation of an article which was published in Germany in Spring 1981.

1 "North-South: A Programme for Survival" - 1980 - Pan Books Ltd. London.

2 Brandt Report, p. 292.

3 *ibid.*, p. 260.

4 *ibid.*, p. 260.

5 *ibid.*, p. 261.

6 *ibid.* See also p. 266: "The performance of the various multilateral organisations in the field of international development should be regularly monitored by a high-level advisory body". At the Conference of the International Labour Organisation (ILO) in Summer 1980, Willy Brandt criticised the UN system as "progressively ritual, technocratic and boundless. He pleaded once more for a new structuring of international institutions to render their performance more effective.

## 2. The Federal Republic of Germany and the Multilateral Institutions

The Brandt Report's propositions do not conflict with the latest "Basic Principles" of development policies as propounded by the Government of the Federal Republic of Germany, in accordance with which multilateral cooperation is "an effective instrument of international partnership", to which, in its "peace-securing role . . . currently no alternative" exists<sup>7</sup>.

The Federal Government – continue the "Basic Principles" – takes seriously "the criticisms expressed by the German public, in individual cases, regarding multilateral development organisations". To be sure, it refuses to accept any form of "overall and non-differentiated criticism". But there is identity of view with the Brandt Report's analysis when the "Basic Principles" state unequivocally: "The Federal Government, in harmony with its EC partners and other western industrialized countries, will support all efforts to avoid excessively bureaucratic practices, duplication of work and institutional proliferation in the UN organisations. It supports the economic, meaningful and effective use of German multilateral contributions as well as their efficient control<sup>8</sup>.

## 3. Directives by the President of the United States of America on the Monitoring of International Agencies

According to the directives by the President of the U.S.A., the budgets and programmes of the international organisations in which the USA participate should be examined with the same thoroughness as is applied to the USA's own Federal programmes<sup>9</sup>.

A White House directive states further: "Austerity is the guiding principle for Federal expenditures. We must apply it equally to International Organisations." While ". . . built-in inefficiencies (are) accepted as the price for doing business multilaterally," the US Government should join with others in ensuring that such inefficiencies be ". . . re-examined and eliminated wherever possible<sup>10</sup>." Every "automatic" expansion in the budgets of international organisations is to be avoided.

## II. The Example of FAO

### 1. FAO – the largest of all Specialized Agencies

Problems of efficiency and development impact control become particularly evident when we take the example of the FAO<sup>11</sup>. This Specialised Agency<sup>12</sup> created in 1945, has currently a

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7 See "Die entwicklungspolitischen Grundsätze der Bundesregierung unter Berücksichtigung der Empfehlungen der 'Unabhängigen Kommission für Internationale Entwicklungsfragen' (The Federal Government's Basic Principles regarding development policies, taking into account the recommendations by the Independent Commission on International Development Issues), in: "Entwicklungspolitik" (July 1980, p. 27 and following pages).

8 See "Basic Principles" quoted in footnote 7.

9 White House Directives, 8 Jan. 1970: "That the budgets and programs of International Organisations in which we participate receive the same searching scrutiny that is applied to our own Federal programs" (See "Report to the Senate Committee on Governmental Affairs – by the Comptroller General of the US – The US should play a greater role in the Food and Ag. Org. of the UN." (Doc. no ID-77-13, May 1977, p. 23).

10 See document quoted in footnote 9.

11 Food and Agriculture Organisation of the United Nations, Rome.

12 "Specialised Agencies" are governmental international organisations, carrying out specific tasks under international mandate, *inter alia*, in economic, social, cultural and health sectors. Each agency is a body corporate with its own legal status which is distinct from that of the UN, to which the relations are defined by special agreements. Specialised agencies are committed by such agreements to

membership of 147 countries. Taking only the number of people employed, FAO is the largest of the specialised agencies and according to an FAO "Fact Sheet" the figure amounts to more than 6,300 persons<sup>13</sup>. But at the same time it conceals staff growth during recent years. The method by which the figure was arrived at is anything but clear.

According to an (internal) F.A.O. document ("Personnel Data" issued by the Establishments Group of the FAO Personnel Division (AFP), dated 31 May 1980, the number of occupied and vacant Headquarters and field posts in May 1980 amounted to 8406, as compared with 6801 in August 1977, i.e. over 2100 more than indicated in the Fact Sheet. Based on the total of occupied posts and of vacancies to be filled on an immediate or medium-term basis, the figures in accordance with the above-mentioned document, covering the posts under the Regular Budget and under extra-budgetary funds, appear to be as follows: 9882 in May 1980, as against some 7565 in August 1977. This calculation takes into consideration the total staff (including the General Services) as well as personnel employed on a short-term or medium-term basis (e.g. consultants and experts). Not included in these figures is staff serving under "Special Service Agreements" or as temporary "Conference Staff", in general amounting to several hundred additional persons. The inclusion of the staff would produce a total, for mid-1980, of well over 10 000.

These figures refute the assertion of the Director-General of FAO, Edouard Saouma (Lebanon), in office since 1976, according to which any reproaches levelled against FAO concerning staff inflation are unjustified. In actual fact, even under the Regular Budget, there is no sign of any consolidation in the number of staff involved<sup>14</sup>.

## 2. FAO's Purposes and Fields of Activity

FAO's fields of activity cover the whole area of food and agriculture, including the improvement of living conditions of rural populations. In particular, FAO is responsible for the collection, analysis and diffusion of information concerning the relevant sectors of food and agriculture, the concept "agriculture" being taken to cover also fisheries and forestry. The organisation's functions include, furthermore, the elaboration of recommendations for national and international action in the above-mentioned sectors, in their broadest interpretation, e.g. research, conservation of natural resources, improved methods of production, processing, marketing and distribution of food and other agricultural commodities, agricultural credit schemes, international agreements on agricultural commodities, and technical assistance. A general clause in Article 1.3.(c) of the Constitution provides that FAO is "generally to take all necessary and appropriate action to implement the purposes of the Organisation as set forth in the Preamble."

Until the 1960's, FAO was a well-respected specialist organisation, largely academic in character, and covering many fields of agricultural science. The organisation played a leading

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cooperation with UN. The coordination of their activities (among themselves and vis-à-vis UN) is the responsibility of the Economic and Social Council of the UN (ECOSOC), to which body they report regularly. Currently there are 15 specialised agencies.

<sup>13</sup> "FAO Fact Sheet" (June 1980): "over 6300 employees".

<sup>14</sup> Taking the number of vacancies announced and posts occupied at the end of May 1980, financed under the Regular Budget only, one arrives at a figure of 3434 as against 2950 in August 1977. Of the posts shown in May 1980 as occupied or as announced vacancies, 5950 (approx 60 %) fell to "professionals" and above, as against 4286 (approx 56.5 %) in August 1977. – At the end of May 1980 there were 17 Assistant Directors-General (ADG's) as against 16 in August 1977. At D 2 level there were 38 posts as against 26 in August 1977. The number of posts at D 1 level, "Service Chiefs" or "Deputy Directors", at Headquarters and in the field, increased in the same period to an extent only describable as inflationary – from 192 to 282 (plus 47 %). There was also a large increase at the P 5 ("Senior Officer") level: from 727 to 927 (plus 27.5 %).

role particularly in the fields of agricultural commodities and world trade in agricultural products<sup>15</sup>.

Today, FAO is mainly an institution for the granting of development aid, usually in the form of technical assistance. Such aid is provided in practically all agricultural sectors as well as in fisheries and forestry, and also covers problems of storage, transport and distribution.

### 3. FAO's Governing Bodies

The highest Governing Body of FAO is the Conference which meets every two years and in which each member country is represented with one vote, regardless of the amount of its financial contribution. The principle – valid throughout the UN system – of “One country – one vote” – meaning, for instance, that the FIJI Islands command the same weight in decisions as the USA – applies equally to the approval of the budget and is not compensated for by any veto-right on the part of the major contributors.

Serving, between sessions of the Conference, as an interim decision-taking body, the Council meets at least once yearly, its 49 members being elected by the Conference. To date, the major contributing countries have always been represented in the Council.

Whereas the Conference and the Council convene in open session, the Committees on Programme, Finance and on Constitutional and Legal Matters, meet behind closed doors. The number of members of these Committees is limited<sup>16</sup>. The Programme and Finance Committees, which also exercise a monitoring function, are firmly in the hands of the developing countries, which provide nine out of eleven members of the Programme Committee and seven out of nine members of the Finance Committee. In both Committees developing countries occupy the posts of Chairman and of Deputy-Chairman.

The “Technical Committees” of FAO include, for instance, those for World Food Security, Commodities, Agriculture, Fisheries and Forestry which meet in open session.

The Secretariat of FAO is headed by a Director-General, elected for a six years' period of office. The six years' term (instead of the previous 4 years' term) became effective from 1st January, 1976, and a re-eligibility had been specifically excluded. The present Director-General, Edouard Saouma (Lebanon)<sup>17</sup>, originally not-eligible for re-appointment, nevertheless managed to prevail upon the FAO Conference 1977 to approve a constitutional amendment once more authorising the Director-General's eligibility for re-appointment<sup>18</sup>.

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15 A good characterisation of the “old-time” FAO is to be found in a member-country's internal document: “Descriptions of the “original” FAO by old-timers in the Rome Headquarters conjure up a fairly highly respected institution, almost of an academic nature, proud of its know-how in agricultural sciences and important for its exclusive command of information in agricultural commodity and trade areas. Perhaps most of all, the FAO was conscious of its isolation from the sort of political concerns which were then plaguing the more junior UN specialised agencies. This aspect of its nature, and the paternalistic style of development assistance in fashion at the time (although FAO was not yet big in direct development assistance) combined to provide a filter, to a great extent protecting its work and deliberations from the interference of world-scale politics. – A second, but less fortunate, characteristic of the FAO in the first twenty years, was its renown for cumbersome bureaucracy. FAO has never been free from the U.N. diseases of over-administration, over-staffing, nepotism. Some of the most mediocre of UN managers have had a hand in FAO administration and some of the legends concerning the administration of the organisation would have warmed Franz Kafka's heart”.

16 While the Federal Republic of Germany has been represented uninterruptedly in the Council since 1965, it is not at present a member of any of the three above-mentioned committees which are important for the monitoring of FAO.

17 Saouma was Director of the Land and Water Division of FAO until the end of 1975.

18 The Conference justified its decision (see paragraph 294 of the Conference Report of 1977) in particular with the fact that FAO was the only agency in the UN system in which the reappointment of the Director-General was, not permissible. The fact was overlooked that in the cases of most of the other agencies (as was also the case with FAO until 1975) there had, in no instance, been any provision for a six year period of office. Previous Directors-General had in each case been elected for a four year period, which could be repeated. The clause determining the non-eligibility for re-appointment, combined with a longer duration of office, served the purpose of rendering it easier for the Director-General, throughout his entire period of office, to maintain a mediatory and neutral position. It further avoided the creation of the situation in which, years before his period in office expired, all his decisions would be influenced by considerations relating to the possible renewal of his mandate.

The present Director-General's term of office expires on 31 December 1981. Since early Summer 1979 he has been engaged in his election campaign, presenting his candidature for a further term of six years. In June 1980, the Permanent Representative of Lebanon to the UN invited all member countries to support his re-election<sup>19</sup>.

#### 4. FAO's Budget

FAO's budget is approved, each time for a two-year period, by the FAO Conference, on the basis of the Director-General's proposals and by means of a simple majority of votes. Distinction must be made between the Regular Budget and funds provided for extra-budgetary activities. The total budget for the biennium 1980-81 came to over US \$ 860 million, of which US \$ 279 million were drawn from the Regular Budget.

The Regular Budget is funded almost entirely from obligatory contributions from the member countries which joined the organisation voluntarily. Seven Countries (USA, Japan, Federal Republic of Germany, France, UK, Italy and Canada) contribute to the extent of 68.28 % towards achieving the 1980-81 budget<sup>20</sup>. The distribution of the contributions takes place in accordance with the UN contribution scale which is keyed, in principle, to the national incomes of the member countries. Most developing countries contribute not more than the minimum quota of 0.01 percent. In this way, they are only minimally affected by even a major increase in the total budget. Nevertheless, the power of their vote enables them to establish the level of the budget entirely at their own will. Thus, they tend habitually to concur with the proposal of the Director-General whom they encourage at every opportunity – occasionally even in open sessions – to envisage new “generous” budget increases. No country is allowed to withhold its obligatory contribution to the Regular Budget – even in the case of its own dissenting vote. Thus, the main contributors are faced with the choice between maintaining their contribution or withdrawing from the organisation – the latter option involving delicate political considerations.

Extra-budgetary funding of activities is based on voluntary allocations from other UN bodies as well as from individual member countries. The largest contribution is represented by funds provided by the United Nations Development Programme (UNDP) for technical assistance purposes. Further financial resources become available to FAO in the form of voluntary contributions from member governments for the funding of special “action programmes”<sup>21</sup>.

Allocations for such programmes as these create the problem of undergoing a minimum degree of control (e.g. at least the checking of vouchers and receipts). The organisation, in principle, opposes any form of control, which it views as “interference”. This is one of the reasons why countries like, for example, FRG and USA, which themselves dispose of relatively efficiently performing development organisations of their own, exhibit scant interest

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19 The relative Note Verbale states that Saouma's candidature had the support of the Conference of Islamic States and of the Arab League. According to Saouma's verbal statements, the Organisation of African Unity (O.A.U.), at its Summit Conference in Freetown in July 1980, had also pledged its support of his candidature. The election campaign is thus in full swing.

20 Eleven countries (the seven mentioned in the above text, plus Australia, the Netherlands, Sweden and Belgium) provide 75.61 % of the FAO budget. – The FRG's contribution for the Biennium 1980-81 amounts to US \$ 27 million. – At the November 1979 FAO Conference, USA, Japan, FRG, UK and Canada abstained from voting on the budget. These five countries provide 56.37 % of the total obligatory contributions to FAO.

21 Examples of these programs are: Prevention of post-harvest losses; seed improvement and development; desert locust control; trypanosomiasis control; food security programmes; Support for developing countries in fisheries development; supply of fertilizers to developing countries; support for the follow-up to WCARRD (World Conference on Agrarian Reform and Rural Development of 1979).

in supporting FAO “action programmes”. The situation is different, for instance, for the Netherlands and for the Scandinavian countries, in which there is a lack of suitable worldwide institutions. Such countries try to overcome this problem by seeking cooperation with FAO.

## 5. Internal and External Auditors

Internal auditing in FAO is the responsibility of the Office of Internal Audit and Inspection. This understaffed office carries out financial spot-checks and reports to the Director-General. About 90 to 95 percent of the Office’s work consists in the examination of salary lists, establishment of salary, leave entitlements, travel expense accounts and the checking of expenditure for the procurement of equipment<sup>22</sup>.

In addition, the Office carries out special examinations as well as enquiries into suspected irregularities. Furthermore, the internal auditors monitor – but again only on a spot-check basis – FAO’s field project accounting and undertake for this purpose travel to developing countries.

The Internal Auditor’s reports are confidential and therefore not available to member governments and certainly not to the public. Copies are forwarded to the External Auditor. The Internal Auditor works under the instructions of the Director-General who can assign him to undertake certain inspections but who is equally in a situation to designate specific inspections as undesirable<sup>23</sup>.

The position of the External Auditor is considerably stronger, that is to say, more independent, although the Office concerned is less well staffed than that of the Internal Auditor. The External Auditor is not placed under the authority of the Director-General and cannot therefore be directly removed by him from this post. Since the creation of FAO, the function of the External Auditor has been under the responsibility of the Exchequer and Audit Department, – Audit House – of the U.K. Government<sup>24</sup>. The External Auditor, in preparing his inspection reports, is at liberty to go beyond the purely financial aspects and to make critical comments on the effectiveness of the use of the resources concerned. However, the number of such reports is very small, largely because the External Auditor lacks the staff to carry out thorough and substantial evaluations. It would, therefore, be a mistake to regard the External Auditor as an authority capable of carrying out even an approximately satisfactory control of efficiency and development impact. His attention to substantial problems is largely fortuitous and his reports are normally made available to member governments only after considerable delay<sup>25</sup>.

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22 Individual cases of irregularities in connection with travel expenses and procurement of equipment are frequently being noted. These would justify considerably more intensive inspection of accounts.

23 For years nothing has been heard by FAO about the Internal Auditor’s activity regarding the Purchasing and Control Branch (i.e. the unit responsible for the procurement of material and equipment). The unit is run under Lebanese management and is integrated within a Division headed by a Greek director who has cooperated closely with Edouard Saouma for about two decades and has been supported by him. The Purchasing and Control Branch transacts business amounting to a value of many millions of dollars yearly, on behalf of FAO Headquarters and field projects – including the procurement of vehicles of every description, tractors, pumps and office equipment. The margin of discretion allowed to the Branch, e.g. with regard to selection of suppliers, is considerable and, from a practical point of view, uncontrollable.

24 Since assuming office, the present Director-General has undertaken all possible efforts to change the External Auditor. Such a change will depend on a consensus of member governments. Should Saouma be re-elected, he will probably achieve his aim, backed by the massive majority of the developing countries’ votes.

25 For this reason, it was misleading when Saouma declared to a group of members of the German Bundestag (Federal Parliament) in March 1980 that the External Auditor carried out a substantial task in connection with the evaluation of FAO’s activity.

## 6. Multiplicity of Institutions in the Food Sector

FAO is not the only UN agency dealing with food and agricultural problems. Institutions such as, for instance, the World Bank, the International Labour Organisation (ILO), the UN Development Programme (UNDP), the UN/FAO World Food Programme (WFP), the World Health Organisation (WHO), the International Fund for Agricultural Development (IFAD) all perform important functions in the world food sector. The coordination of the activities of these and other organisations has always left, and continues to leave, much to be desired. This is why the UN World Food Conference of 1974 decided to constitute the UN World Food Council (WFC). This Council has its Headquarters in Rome but is not a Department of FAO. It is a ministerial organ of the UN, reporting to the General Assembly through the Economic and Social Council (ECOSOC). Its coordinating function applies to all agencies of the UN system, including FAO, and covers specifically "policies appertaining to food commodity production, nutrition, world food security, trade in food commodities and food aid as well as related problems"<sup>26</sup>.

As stated by the Canadian Minister of Agriculture, Whelan, in June 1980 at a World Food Council meeting in Arusha, even a superficial counting shows that there exist at least 20 UN organisations concerned with world food questions. Whelan pointed to "great confusion" and "growing duplication of work and overlapping and even to competition among the organisations", anxious to expand their fields of responsibility. As proposed by Canada, the WFC requested its secretariat, in cooperation with pertinent institutions, to compile a "comprehensive list of international organisations, which should also include organisations outside the UN system. This list is intended not only to indicate the terms of reference of the individual organisations (including FAO), but also to show cross-references between similar activities of the various organisations"<sup>27</sup>.

### III. Efficiency and Development Depart Control within FAO

Efficiency and development impact controls<sup>28</sup> have, to date, been regarded within the UN system mainly as an irksome exercise causing only unnecessary expenditure, most particularly whenever these controls were to be undertaken, by neutral (external) authorities. It is characteristic that in a report<sup>29</sup> from so recent a date as early 1980 by the Director-General

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26 WFC, created in 1975, is supported by a small secretariat headed since Autumn 1978 by the former Chairman of the Development Assistance Committee of OECD (DAC), Maurice Williams (USA). The USSR is not a member of FAO but of WFC.

27 Since the present Director-General of FAO assumed office in January 1976, there has been a relationship of considerably aggravated tension between WFC and FAO. FAO feels threatened in its "sovereignty" by the efforts at coordination on the part of WFC. See O. Matzke "Zunehmende Spannung zwischen UNO-Welternährungsrat und FAO-Probleme der Koordination im UNO-System" (Growing tension between the UN World Food Council and FAO - Problems of coordination in the UN System) - Neue Zürcher Zeitung, 11 October 1980 (no. 236).

28 These should include particularly, as a permanent exercise, inspections and evaluations, the purpose of which are defined by the FRG's Ministry for Economic Cooperation as follows: "Inspections and evaluations enable judgements to be reached on the value, in terms of development policies, of individual projects, i.e. to show up any weak points in individual cases . . . Results of inspections and evaluation should contribute towards the improvement of control and management of on-going projects and create guidelines for the selection and planning of future projects". See BMZ Document 230-E 7110-137/80 of 15. 4. 1980 "Querschnitts-Analyse der im Jahre 1979 durchgeführten Inspektionen und Evaluierungen des BMZ" (Cross-section analysis of the inspections and evaluations carried out by the Federal Ministry for Cooperation in 1979). This document states aptly: "Impact control, in terms of development policies, has its point of departure in the targets of the partner-country and of the donor."

29 Review of operational activities - Some policy issues pertaining to operational activities for development undertaken by the United Nations System, Economic and Social Council. E/A.51/1980 CRP 1, 24. 4. 1980; as well as Corrigendum 1) of 8. 5. 1980.

for Development and International Cooperation in UN<sup>30</sup>, consisting of 111 paragraphs, only one short paragraph (no. 95) is dedicated to the keyword “evaluation”; even then it is, in fact, limited to technical assistance. This paragraph notes that, to date, the evaluation of such projects had been limited to criteria such as, for instance, the actual delivery of inputs (equipment), the flow of funds and the general meeting of deadlines. In this connection, the report comments that though these criteria are not unimportant, recognition was gaining ground that the “real effectiveness” of UN system activities should not be measured in purely quantitative orders of magnitude<sup>31</sup>.

FAO, as the largest specialised agency of the system, presents a gloomy example with regard to control of efficiency and development impact. As the Comptroller General of the US affirmed in his latest report<sup>32</sup> on FAO that “evaluation of FAO programmes and activities is neither systematic nor comprehensive, and in our judgement there is very little information flowing to the governing bodies from these evaluation mechanisms on which to reach an informed judgement as to the effectiveness of FAO programmes or the efficiency with which they are administered.”

With particular regard to the evaluation of development impact, one of the Assistant Directors-General of FAO gave voice to scepticism in discussing the question with the US Comptroller General. Such evaluation was, in his view, “difficult at best” and he was not optimistic that much could be achieved in this area for a number years. A further argument of the Assistant Director-General concerned is noteworthy: FAO’s effort and contribution on any project are generally minor in relation to the host country contribution<sup>33</sup>. For this reason any attempt to evaluate the FAO contribution would be problematic! If these naive objections are pertinent, (which they are not) they mean that “aid” is provided without having any conception of its effectiveness<sup>34</sup>.

With regard to development impact control, there is no doubt that certain modifications have taken place during recent years, but they have been rather of a cosmetic than of a substantial nature. The US Comptroller General’s findings are still valid: the substantial and concrete results obtained by the Evaluation Service, created in 1968, are intended for internal use and are withheld from the member countries. To quote the Comptroller General: “Only general summary information is published and specific results are not released outside the FAO Secretariat<sup>35</sup> .

FAO’s Evaluation Service concerned itself first of all solely with the evaluation of internally selected field projects, the results of which – if at all – were utilized only internally. Since 1975, a “Review of Field Programmes” has been issued every two years as a conference document and has been distributed to member governments<sup>36</sup>.

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30 This UN Director-General post was created by Resolution 32/197 of General Assembly 29. 12. 1977 (“Restructuring of the economic and social sectors of the UN system”). In early 1978 K.S. Dadzie (Ghana) was nominated to this post. For previous history see O. Matzke: “Probleme der Strukturierung des Wirtschafts- und Sozialbereiches des UN-Systems” in “Beiträge zur Konfliktforschung” (“Problems of the structuring of the economic and social sectors of the UN system” in “Contributions to conflict-research) – 4/1978. Page 5 and following pages.

31 Paragraph 58 of the Report states: “The United Nations system has tended to focus its attention on efficiency in the delivery of inputs rather than effectiveness in terms of outputs.”

32 See the Report quoted in footnote 9.

33 Ibid., p. 50.

34 “Like with a pole in the fog” was the comment of an FAO insider.

35 See Report of Comptroller p. 51.

36 Last edition: Review of Field Programmes 1978–79. Conf. Doc. C79/4 September 1979.



## 1. Accent on "Auto-Evaluation"

As a result of strong pressure, mainly from the western member countries, FAO has been publishing since 1979, in addition to the Report on Field Programmes, a "Review of the Regular Programme"<sup>37</sup> i.e. the programmes financed from the Regular Budget. The "Review" is to be distributed every two years to member governments in order to provide them with "quantitative and qualitative information".

As the Director-General remarks in his Foreword to the first (and so far the last) "Review", this report is based, in the first place, on an "auto-evaluation by all units". "auto-evaluation" is to be "at the heart of the evaluation process"<sup>38</sup>. Only in second place is reference made to special reports of individual programmes from the FAO Evaluation Service and external consultants as basic data for the elaboration of the "Review".

Responsibility for "auto-evaluation" is placed on the heads of departments, division directors and programme managers at all levels. In other words: all officers participating in management are themselves to evaluate the effectiveness and efficiency of their own work performance. Little imagination is needed to realise that this is asking too much of any normal human being in the way of behaviour. Only super human beings, totally lacking in career interests and ambition, might possibly be in a position to include in such objective auto-criticism. Aptly, the British delegate told the FAO Council that it was important for evaluation to be "as independent as possible". In any organisation, he continued, there is a real risk or even danger that evaluation will just become a whitewashing operation . . ." At the same time, he stressed the need for an evaluation unit to "be able to make a choice of projects which it is to investigate rather than depend upon an organisation's operations department to do this"<sup>39</sup>.

The accent on auto-evaluation by those who are themselves concerned with the activity in question is typical of the trend which has been revealing itself more and more clearly in FAO during recent years. The Evaluation Unit, which under Saouma has been integrated into the Office of the Director-General, has no independence whatsoever and is systematically screened off from outside<sup>40</sup>. It is obliged to act in strict accordance with the Director-General's precepts. Facts not fitting in with his pattern are non-existent, where evaluations for presentation to member governments are concerned. The USA Comptroller General noted in connection with his visit to FAO: "The Director-General told us that, as the head of FAO, he could not allow the detailed internal evaluation reports to be released outside the Secretariat and thus expose his staff to unwarranted criticism oftentimes made for political reasons"<sup>41</sup>."

Saouma has reservations regarding an "advisory and overseeing task" of the "UN Joint Inspection Unit" (JIU). This Unit has proposed that, throughout the whole UN system, certain general standards of evaluation be applied for each organisation. The Director-General sees in the JIU's efforts the danger of "endless theoretical discussions"<sup>42</sup>.

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37 Review of Regular Programme 1978-79. Conf. Doc. C79/8, July 1979.

38 "At the heart of the evaluation process is auto-evaluation by programme managers at all levels" (See Report quoted in footnote 37, p. VI). Saouma's effusive assessment of auto-evaluation as compared with external evaluation, is illustrated drastically by the following sentence: "Experience gained in the evaluation of field programmes has shown that lessons drawn by managers through their own evaluation of programmes and projects entrusted to them are absorbed and applied more readily than if communicated to them from an external source" (from previously mentioned report, p. VI).

39 Verbatim 78th Session of the FAO Council, doc. IV/9, p. 4.

40 Even highly placed official visitors to FAO not having particularly good relations with the Director-General underwent grotesque experiences when they attempted to establish direct contact with the Chief of the Evaluation Service.

41 See Report of US Comptroller General, quoted in foot-note 9, p. 51.

42 See Saouma's comments in Doc CL72/3 (July 1977) for FAO Council ("UN Joint Inspection Unit Report on Evaluation in the United Nations System").

In view of this attitude, which dominates within the higher echelon of FAO, it is hardly surprising that Saouma regards all suggestions favouring independent evaluation coming from member governments, as a vote of no confidence against himself personally. The Swiss delegate at the last FAO Conference (late 1979) was given forcibly to realise this when he dared to speak in favour of an external evaluation based at least on spot-checks. Switzerland supported the thoroughly democratic thesis that: "The Legislator (i.e. the Conference) cannot content itself with controlling the work of the Executive (i.e. FAO's secretariat) solely by means of examinations carried out by the latter itself." This statement, which merely formulates a selfevident fact, aroused the Director-General to intervene at an open session of the Conference and to attack the Swiss delegate personally in an unwontedly harsh manner<sup>43</sup>. A glaring light is thrown onto the situation of the organisation today by the fact that the Conference, dominated by the "Group of 77"<sup>44</sup> rejected the suggestion of an external evaluation based on spotchecks – a suggestion put forward not only by Switzerland. As desired by Saouma, the Conference regarded this type of inspection as "inappropriate" since "the results might not be commensurate with the costs involved"<sup>45</sup>. In practice, this endorses the Director-General's almost unlimited scope for exercising his own judgement with regard to the approval of resources for aid projects, their implementation as well as other related transactions.

Saouma has not yet responded to the U.N. Joint Inspection Unit's offer – repeated in August 1979 – to make itself available for inspections and evaluations of FAO's activities<sup>46</sup>.

## 2. Evaluation of Technical Assistance Activities

What is valid with respect to the evaluation of FAO's activity in general is especially applicable also to the evaluation of technical assistance. Even the rather superficial control to which FAO is submitted in connection with UNDP<sup>47</sup> projects represents for Saouma an "unneces-

43 The verbatim report of the Conference – manipulated, as is frequently the case, reproduces the aggressive wording of the remarks in considerably weakened form. Saouma apologised later – not in the open meeting – to the Head of the Swiss Delegation. The latter subsequently made the following statement to the Plenary Session: (in Fr) "I must declare to the Conference that the Director-General's intervention yesterday evening concerning Switzerland is unacceptable to my Delegation. It is not the Director-General's right to make uncivil remarks to representatives of a member state."

44 The "Group of 77" is an informal association of developing countries, created at the first UNCTAD Conference 1964 by 77 countries. Today there are approximately 120 members. The "77" are also represented in Rome.

45 The actual wording of the Conference report is: "A few members . . . suggested that there was a need for additional evaluations of aspects of the Regular Programme to be carried out by outside consultants. The Conference generally agreed however that this would be inappropriate and that the results might not be commensurate with the costs involved."

46 The JIU was created in 1948, following a Resolution of the UN General Assembly. In accordance with its statutes its tasks include the following: ". . . provide an independent view through inspection and evaluation aimed at improving management and methods and at achieving greater coordination between organisations." Relations between the Director-General of FAO and JIU are strained and have become still more tense recently. The conflict between FAO and JIU reached its externally visible climax as a result of a document submitted to the FAO Conference, Nov. 1979 by the Director-General of FAO (Conf. doc. C79/17, Juli 1979) after he had made certain of the support of the "Group of 77" in the Programme Committee and the FAO Council. In this document, Saouma reproaches JIU for stressing too strongly the need "for greater and more formal coordination" between the various UN organisations. In Saouma's view, improved coordination should not be required "for its own sake". Coordination cannot be accepted as an objective in itself, but "as a means through which the achievement of objectives can be attained." The Unholy Alliance between Saouma and the "77" makes use to this somewhat hairsplitting argument in an attempt to side-step the issue of the need to eliminate duplication of work and overlapping. There is no mention of the fact that both Saouma and the "77" (in their capacity as recipient countries) are uninterested in intensified inspections and controls. The JIU, in its comments (FAO Cong. Doc 79/17 Supp. 1, Sept '79) on these remarks, states that in its recommendation on coordination it has adhered to its terms of reference and that the elimination of "duplication of effort or rivalry among organisations" is in full conformity with the restructuring of the economic and social sectors of the UN system. At the same time, JIU reproaches FAO for not having reported on any action taken by the organisation on the recommendations of JIU's reports "or on the results of such action", whereas UN and UNESCO, for example, had prepared appropriate periodic reports on such action and its results.

47 United Nations Development Programme. FAO's total share in UNDP resources for Technical Assistance in the 1970s came to approximately 30 %. In 1979, UNDP resources allocated to FAO amounted to approximately 132 million US dollars.

sary straight jacket” which, in the interests of “flexibility”, needs to be thrown off. Thus, flexibility becomes synonymous with non-control.

The “Review of Field Programmes”<sup>48</sup>, published since 1973, does represent a step in the right direction. But, as the USA Comptroller-General has observed, the “Review” is “in the nature of a general summary or synthesis of the types of problems”. It contains “no real discussion of specific problems” and provides therefore no balanced appraisal of the effectiveness of FAO’s field programmes<sup>49</sup>.

As is the case with most of the UN organisations, FAO limits its review almost exclusively to quantitative data, as for example, “delivery”. The numbers of experts assigned are also reported<sup>50</sup>. Indications concerning the provision of equipment are less lucid. The effectiveness, in terms of development achieved by the considerable inputs in resources, is not evaluated at all. The mere disposal of the available means is taken to demonstrate the efficiency of the organisation. As already noted, a mild form of criticism regarding this point is expressed in the otherwise rather reserved report by the new UN Director-General for Development and Economic Cooperation<sup>51</sup>.

A number of official government statements made during the last FAO Conference (November 1979) express critical views with regard to the quality of FAO field projects, the FRG’s delegate remaining discreetly silent during the debate. USA missed – as previously did the Comptroller-General – an adequate “interpretive analysis” in the auto-evaluation of technical assistance, rendering an assessment “of the effectiveness of individual projects and of the field programme as a whole”, impossible. Furthermore, the USA delegate expressed the opinion that several of the final conclusions drawn in the pertinent FAO Evaluation Report<sup>52</sup> were “unclear, questionable and misleading” and too often not based on objective production of evidence in the form of selected empirical examples”. In particular, there is a lack of indications concerning the effective impact of field projects on the rural poor, including landless workers.

The Swiss delegate voiced views on practical experience with the use of bilateral funds allocated in trust for technical assistance through FAO – an important point also for FRG. On the one hand, considerable significance is attached to this type of cooperation with FAO, particularly in connection with support to programmes in the areas of food security, prevention of postharvest losses, and seed improvement. But, on the other hand, experience shows that in practice, the use of such resources through FAO is “not optimal”: “We have observed on several occasions irritating slowness and delays, particularly as regards recruitment of experts and procurement of materials. If, as the Director-General affirms, FAO has, within its autonomous Technical Cooperation Programme<sup>53</sup>, been successful in applying “special measures” to eliminate such problems, surely the same measures should be applied to programmes financed by (bilateral) trust funds.

Norway stressed particularly the problem of the effect of FAO projects on the nutrition standards of the rural poor and pointed to an FAO inquiry into more than 39 various projects in nine countries. The provisional results of the Study are, in Norway’s view, “alarming”, since only very few of the 39 projects had any positive influence on the nutrition standards.

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48 See footnote 36.

49 See document quoted in footnote 9, p. 41. From this view it is indeed quite a step to the view expressed by a western Government delegate according to whom the “Review” is “a fairy-tale”. (See previously mentioned doc.).

50 Approximately 1800 experts in 1978 as against approx. 2200 in '71.

51 See text to footnote 31.

52 See “Review” quoted in footnote 36.

53 For this Programme see II. 3.

In accordance with the Preamble to the FAO Constitution, “raising the level of nutrition” is the main purpose of the organisation. Norway requests a follow-up to this problem by means of a “thoroughgoing (objective) examination of other actions and projects”. The Indian Chairman of the Conference Commission concerned, M.S. Swaminathan, struck the same key and warned against “hypocritical statements” and “shedding of crocodile’s tears for the poor, without any progress being achieved”. The secretariat, including the Director-General, was unable to come up with clear answers to the above-mentioned problems. An inspection report by the External Auditor to FAO (see above II.5) made available to the Conference in November 1979<sup>54</sup> describes inadequacies in ongoing projects financed from UNDP funds. By means of spot-checks, the inspectors observed in four projects out of eight, in two countries, “that in each of these cases, problems had arisen affecting or threatening to affect the efficient execution of the projects, but that the project staff had submitted no reports on the problems and that furthermore no three-party examinations (participants: recipient government, UNDP and FAO) had taken place”. In summarising, the inspection report concludes: “An effective management control of projects is not possible without adequate information on their progress”.

In another inspection report of the External Auditor (May 1978 – also submitted as a Conference Document to the FAO Conference in November 1979)<sup>55</sup> the question is raised as to whether an organisation like FAO should, after completion of a project, concern itself with its outcome. The report starts from the concept that “field projects are undertaken with particular development objectives in view and the successful completion of projects is only a step in the fulfilment of these objectives. Although recipient governments have the primary responsibility for achieving the objectives, UNDP policies and procedures envisage that both UNDP and the Executing Agencies have roles to play after projects are completed”. In this case, FAO is the Executing Agency. The Auditor recalls that procedures provide for UNDP Resident Representatives to obtain reports of evaluations carried out by recipient governments or institutions and transmit them to the Executing Agency. These procedures further provide for the UNDP Resident Representative to make annual reports to Agencies on the progress of the planned development objectives.

When, in 1978, the External Auditor wished to determine to what extent UNDP-FAO projects achieved planned objectives, he requested FAO to make available to him any reports received in accordance with the previously-mentioned procedures. Instead of the requested reports, he received the reply that “the Organisation was not aware of any ex-post evaluations, or of any reports made by Resident Representatives, governments or other bodies, concerning projects completed in recent years”. The Auditor’s query as to what importance FAO attached to the continued monitoring of projects after completion and why UNDP’s recommended monitoring procedures had remained unfollowed, elicited the reply that “- while they (FAO) were very conscious of their responsibilities, both to governments and to funding organisations such as UNDP, and fully endorsed the importance of a continued follow-up of projects after completion of the international assistance, they regarded the procedures recommended by UNDP as being in the nature of guidelines rather than of mandatory regulations”. Moreover, FAO had pointed out that follow-up and evaluation after project completion were prerogatives of the recipient governments and could only be carried out in agreement and in cooperation with these.

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54 FAO Conf. Doc 79/6 (a), July 1979.

55 FAO Conf. Doc C 79/6, August 1978.

The Auditor came to the conclusion that: “there is a need for some more regular arrangement in which UNDP and the Agencies would participate, for following-up projects after their completion and evaluating their effectiveness towards achieving the development objectives.” In the view of the Auditor, “such arrangements need not . . . conflict with recipient governments’ primary responsibility for the projects carried out in their countries and would no doubt be worked out and applied in close cooperation with them.” Such a procedure would – and here the Auditor touches the heart of the matter – “enable UNDP and the Agencies to apply any lessons learnt to the planning of new projects.”

### 3. FAO’s Technical Cooperation Programme (TCP)

FAO’s Technical Cooperation Programme is a flagrant example of uncontrolled use of resources. It was created, as an experiment, in 1976, on the initiative of the FAO Director-General. Funding takes place under the Regular Budget, that is to say, out of obligatory contributions<sup>56</sup>.

The budgetary allocations have been as follows: biennium 1978–79 US \$ 25.6 million; biennium 1980–81 – US \$ 32.6 million. These earmarkings correspond to 12 percent of FAO’s Regular Budget. This puts them well above corresponding average earmarkings of other UN bodies which amount to less than 4 percent. The only exception is the World Health Organisation but, due to its markedly regional structure – six largely autonomous Regional Offices – the case of FAO differs considerably.

The Director-General is free to dispose of TCP resources at his own discretion. As stated in the Report of the FAO Conference of November 1979, the Programme sets out to be the “prompt” answer to “short-term and unforeseen situations”<sup>57</sup>. The main body of concrete examples demonstrates, however, that FAO carries out basically the same type of operations with the more than 650 Mini-projects approved until 1979, as it could implement equally well with UNDP funds.

Even a rapid glance at the project-lists<sup>58</sup> – accessible from outside only with considerable difficulty – demonstrates clearly the overlapping with UNDP<sup>59</sup>. The titles alone of the numerous projects suffice to show that there is hardly a question of “unforeseen situations”. Projects such as the promotion of rabbit breeding, of apiculture or rodent control, have nothing in common with Saouma’s so often proclaimed “new dimension”.

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56 Occasionally, Saouma defends “his” TCP by pointing to the FAO Constitution which includes the granting of technical assistance as a task of the Organisation. The clause in question does not, however, say that such assistance should be financed from the Regular Budget. Since, at latest in 1970, when the U.N. General Assembly approved the “Consensus”, UNDP has been recognised as the central point of the whole UN system’s development policy. TCP, created 6 years later, is a clear infringement of the “Consensus” which is binding also for FAO. See O. Matzke “Zwischenbilanz des Technischen Kooperationsprogramms der FAO” (Interim balance of the Technical Cooperation Programme of FAO, *Neue Zürcher Zeitung*, 4./5. April, 1980 (no. 79).

57 Many publications inspired or financed by FAO suggest to the innocent reader that TCP fulfills mainly the function of a “crisis troubleshooter”, i.e. that its emphasis is on emergency aid. (See e.g. the article by G. de Sabatino (Information Division, FAO) in “Development Forum”, March 1980.

58 Since even the project lists in themselves provide vulnerable points for TCP, they have been treated as internal documents as from early 1978.

59 Some examples (in brackets the costs per project in \$ 1000): Kenya, “Field Level Marketing Management Training” (76); Mozambique “Assistance to the Faculty of Agriculture, University of Mondlane, Maputo” (25); Ruanda, “Centre d’élevage du lapin” (57); Swaziland, “Pre-Investment Study for Processing Tropical Fruits” (22); Upper Volta, “Développement de la sériculture et de l’apiculture” (145); Maldives, “Rodent Control” (60); Sri Lanka, “Sugar Price Policy and Methodology” (55); Brazil, “Crash Courses for Technology Extension Personnel in the Fisheries Administration” (92); Venezuela, “Prevention of African Swinefever” (56); Greece, “Industrial forest plantations in Northern Greece” (56); Poland, “Implementation of the vistula project Formulation mission” (78); Turkey, “Livestock by-product processing development” (41); Bahamas, “Sheep feeding in confinement” (46); Brazil, “Assistance for the implementation of a national programme for soil conservation” (148); Malaysia, “Development of a management information system” (60); Indonesia, “Primary cooperative development” (211).

Only 25 percent of the total expenditure for TCP was allocated to “emergency” aid cases, and FAO “insiders” consider that the interpretation of the concept “emergency” is taken consciously very broadly<sup>60</sup>. The very poorest developing countries only received 48 percent of the TCP resources.

Project approvals are dealt with according to the “watering-can principle”, trying to give each country its share. Only in this way can it be explained that oil-exporting countries have received TCP aid (for instance: Venezuela – 3 projects at a cost of \$ US 90,000; the United Arab Emirates – 3 projects at a cost of \$ US 112,500; Iraq – one project at a cost of \$ US 15,250. Also, for countries at the take-off stage, a number of TCP projects have been approved, as for instance: Brazil – nine projects, \$ US 457,200; Nigeria, 6 projects, \$ US 315,500; Argentina – 4 projects, \$ US 210,000.

The period of time elapsing between approval and actual starting date of projects has been four months on an average, i. e. considerably longer than Saouma had promised when launching the programme. As the External Auditor observed in 1978, “many” projects which had been put forward as urgent were not completed by the foreseen date of termination. Average duration of a project was 8 months<sup>61</sup>. The project costs as shown above do not include a minimum of about 20 percent charges for FAO’s administrative and personnel costs for “Director-General’s projects” which are always treated with priority. These general costs are boosted particularly by the deluge of mini-projects.

Saouma frequently refers to the “enthusiastic reception” accorded to TCP in developing countries<sup>62</sup>. This is to be explained not only by reason of the supposedly supplementary nature of the resources received but also – and above all – because, on an average, about 50 percent of TCP resources<sup>63</sup> are allocated to capital goods (vehicles, tractors, equipment etc.<sup>64</sup>). These goods remain, after the completion of the project, in the recipient country, without any charge – in other words, they are outright gifts. This generous free provision of capital goods – quite unprecedented on this scale within the UN system – involves certain dubious aspects, such as the risk of corruption in the various phases of the operation. In the case of FAO projects financed by UNDP, the proportion of capital goods within the total allocations for 1978 was about 27 percent (as compared with only 20-21 percent in 1976 and 1977, i. e. in Saouma’s first years of office).

The problematical aspects of such open-handed provision of capital goods in technical assistance projects is illustrated in a confidential report by an FAO consultant of many years’ standing. In connection with a TCP project in an African country, the consultant refers to the “irresponsible negligence of FAO Headquarters” and he reports on the corrupt conduct of members of the recipient government<sup>65</sup>.

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60 With regard to FAO’s tendency to emphasise the predominantly emergency character of TCP, see footnote 57.

61 FAO Conference Document 6 79/5, page XIII.

62 With regard to the argument of “enthusiastic reception”, a critical observer some years ago posed the rhetorical question: “Was there ever a cat which did not lap up a plate of fresh milk placed in front of it?” (See *Neue Zürcher Zeitung*, 16. 12. 1977, nr 294).

63 This percentage was made known by Saouma in 1978. The imprecise indications issued by FAO since then lead to the supposition that the percentage of capital goods has since increased. In the case of “emergency” projects the proportion of capital goods is seldom under 90 percent.

64 The rumour circulating in FAO about TCP’s having supplied a number of Mercedes passenger vehicles was not definitely denied by the Information Division of FAO after checking back with the technical division concerned.

65 The wording from the report is as follows: The part of the overall expenditure allocated in the budget of the development project to the procurement of road building machines, equipment and vehicles had been increased considerably as against the draft plan of operations, the increase taking place at the detriment of productive items. The reason for this considerable increase in expenditure on capital goods was found to be due to certain high-level government officials’ interests in obtaining bribes in connection with the purchase of this equipment. The expert’s summarised finding was as follows: “As illustrated by the example given by the writer of this report, TCP funds are disposed of with very little sense of responsibility. The reason is to be sought in the fact that these funds are under FAO’s sole jurisdiction and no effectual body exists to control their use. In the writer’s view, FAO member countries should endeavour to create an efficient and competent body, independent of FAO, to supervise the utilisation of TCP funds.”

So far, TCP has not been evaluated by any independent body, in spite of the Director-General's promises when the Programme was set up. Statements are only available from FAO itself and from a number of countries which have benefitted directly from the Programme<sup>66</sup>. It is obvious that the Director-General is making use of TCP as a fundamental instrument of his power policy vis-à-vis the developing countries. TCP allocations – particularly the free gifts of capital goods – play an important role, especially for the small countries.

The following aspects, however, which go beyond FAO's field of responsibility, weigh still more heavily than the points thus far indicated: there is a real danger of the TCP "model" being imitated by at least a dozen other UN specialised agencies. One of the many examples is that of the International Atomic Energy Agency, within which such tendencies are becoming conspicuous<sup>67</sup>. Should the other specialised agencies decide to set up sizeable technical assistance programmes of their own, along TCP lines, there would not only be a marked increase in the overall financial dimension of the system, but such programmes would also produce a disintegrating effect throughout this system. This would mean a severe set-back to the progress which, with great difficulty and in the face of the opposition of the specialised agencies, has in the last few decades been achieved in institutional streamlining and coordination of technical assistance – an achievement which, though still inadequate, is nevertheless remarkable<sup>68</sup>. The disintegration would make itself felt primarily in the developing countries and would be to the disadvantage of these. Now, only a few years since the inception of TCP there are reports of frictions in these countries because most FAO Representatives do not consider that they should, as a matter of course, fit in with the system as a whole, i. e. with UN's coordinating function. Little imagination is needed to realize what would happen if the FAO example were adopted by other specialised agencies.

A high-level official of India's Foreign Office, in divergence from his government, defined the setting up of TCP as "a giant step backwards"<sup>69</sup>. With aptitude, the same official pointed to the danger of organisations frittering away their energies in "autonomous" operational activities, thereby neglecting their genuine *raison d'être*, i. e. "non-operational activities". In contrast to this view, the Director-General never tires of representing "his" TCP as a "milestone" in the Organisation's history.

The thorough evaluation promised at the time of setting up TCP is now over-due. It would need to be carried out by an independent agent, not interested in future consultancies. The UN Joint Inspection Unit might well be considered in this context<sup>70</sup>. To do this, in fact, the JIU would not even need a request from the FAO Director-General, since the Unit can decide autonomously when and in which UN organisation it considers an inspection desirable. In case JIU did not wish to be involved directly in the question, the Unit's independence renders it the ideal body to select an appropriate consultant for the job.

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66 The report on TCP prepared in 1978 by the Swede Linner – who had previously served with UNDP – is still today kept under lock and key. This report is only mildly critical and avoids entering into basic issues. Linner, who is anxious to carry out further consultancies for FAO, had been selected by Saouma.

67 See O. Matzke in the article in "Neue Zürcher Zeitung" cited in footnote 56.

68 These system-wide institutional relationships, reaching as they do, beyond the agricultural sector, are simply ignored by the FRG Ministry for Food, Agriculture and Forests – responsible in Bonn for FAO-related matters. It should be a task for the Foreign Office, the Federal Ministry for Economic Cooperation and the Federal Ministry for Finance to intervene in the interests of correcting this omission.

69 See M. Dubey (Joint Secretary in Min of Foreign Affairs, N. Delhi) in: "Development Dialogue" published by SIDA in issue 77/1. 70 Re JIU, see footnote 46.

#### 4. FAO/UNDP Rural Development Projects

Most FAO field projects are financed from UNDP funds. In this respect, FAO is the initiating and executing agency. Programming and monitoring of the execution of the projects are the responsibility of FAO in cooperation with the recipient governments. In 1979, FAO's allocations from UNDP amounted to US-\$ 132 million. A large part of the technical assistance financed by these means is allocated to rural development.

The UNDP Internal Evaluation Division produced, in June 1979, a 230 page Study dealing specifically with the effectiveness of technical assistance in the area of rural development<sup>71</sup>. In UNDP's words, the Study was prepared – in consultation with specialised organisations which had participated as executing agencies” (i.e. mainly FAO and – to a somewhat lesser extent – ILO). The Study has been discussed “in detail” in the draft form, with the specialised agencies and the final version takes into account their written comments.

The Study aimed, above all, at: 1. identifying weak points in the planning and execution of projects for the promotion of rural development, and 2. examination of basic concepts.

The main conclusions of the Study are as follows:

Most developing countries pursue an inappropriate, purely “technocratically” oriented concept of rural development. The UN specialised agencies accepted this false concept in the planning and execution of the technical assistance.

The uncritical acceptance of such a concept is justified by the “obligation to political neutrality” and non-interference.

The problematic basic conception, lack of personal motivation, as well as the expertise and social status often result in some of the experts selected by specialised agencies (especially experts from developing countries) carrying out their duties in a purely “technocratic” manner, at a social, and often geographical, distance from the actual group which benefits from the assistance, and with inadequate background knowledge of the actual situation and the genuine needs of the country in question<sup>72</sup>.

The UNDP Study, the authors of which were able, inter alia, to gain insight into some 200 projects, is a model of clear evaluation, aiming at objectivity. It spares neither the recipient governments nor the specialised agencies assigned as “executive agencies”. These include especially FAO. Nor is the Study sparing in criticism of UNDP itself. It should be in favour of UNDP's top officials that they granted their internal evaluation division such a high measure of independence. An external evaluation could hardly have spoken more clearly.

If FAO's management were really concerned with efficiency, an obvious move would have been to encourage at least all those professionals engaged directly or indirectly with technical assistance to read this Study, in order to draw lessons for planning future projects from the errors committed in the past. As has been ascertained by questioning FAO staff at random, the Study is officially unknown, at all events to professionals at middle level. Everything goes to show that it is being guarded in the poison cupboard of the FAO Evaluation Unit. Furthermore, the Study was not made available to the FAO Conference in November 1979.

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71 “Evaluation Study no. 2 – Rural Development: Issues and Approaches for Technical Cooperation” m UNDP, New York, UN Plaza, June 1979.

72 The following extracts from the UNDP Study are to be found in a Reuter report (author – Home Head of Reuter – Roland Dallas): The foreign expert regards politics and society of the host country with the eyes of an urbanised government official. The population of developing countries reacts with the certain cynicism to the revelations of a foreigner concerning his worries about the well-being of poor people, which are in sharp contrast to his own habits. The foreigners stay most of the time in the Capitals and spend their time in conferences, seminars and programme discussions, or in writing reports. The authors of reports scoff that they (the experts) sometimes seemed nevertheless to believe that they were pushing forward development in rural areas. As the rural population cannot express its views in the Capital, failures can be attributed to stubbornness, resignation to fate, illiteracy or the self-evident senselessness of the peasants. The cold and purely theoretical approach to aid-giving means, according to the report, that no one actually knows what effects the aid really has on the people engaged in agriculture.



This corresponds fully to the course currently being steered by the upper echelon of FAO, as well as to the inclination of the developing countries – interested as they are in anything but controls. Donor countries are also partly to blame in so far as they did not press to include the Study in the Conference agenda<sup>73</sup>.

## 5. Emergency Food Aid

The Director-General of FAO has at his disposal a broad field in which to exercise his discretionary powers with regard to emergency food aid. He has at his disposal two different funds: 1. The Emergency Reserve Fund (established yearly) of the FAO/UN World Food Programme (WFP), which in 1980 amounted to \$ US 45 million; and 2. The International Emergency Food Reserve (IEFR). The IEFR was set up in 1975 by the UN Secretary-General, in accordance with a Recommendation of the World Food Conference of 1974. The Reserve is intended to guarantee, by means of voluntary contributions, the availability with WFP of 500,000 tons of grain yearly for emergencies. The target for contributions of 500,000 tons has not yet been reached in any year<sup>74</sup>.

From both funds, Saouma was able, in 1980, without any previous control – at his own discretion – to dispose of emergency food aid amounting to a total value of \$ US 200 millions – including transport costs. The way in which he allocates resources for emergency purposes has been and is still the subject of lively controversy. Even a number of member countries of the “Group of 77” infringed the otherwise rather firm solidarity of their group, when the question was discussed in the Governing Council (Committee on Food Aid – CFA) of the WFP. The delegate from Tunisia asked, for instance, whether a number of emergency operations had been “really justified”. The delegate from Saudi Arabia wished to know why, in certain individual cases, more aid had been granted than had been necessary, and why certain countries had received more than others. The British delegate criticised emergency aid to countries with medium pro-capita income which had already received substantial aid from other sources (including Opec), and he stressed the need to distinguish between structural problems and cases of emergency.

It is obvious that the Director-General has behaved in an extraordinary open-handed manner with emergency food aid, and that he will continue to do so. He hopes, with this instrument too, to maintain the goodwill of the “Group of 77”. In a number of cases, countries have been instigated to request food aid (e.g. Cameroun, Ghana and Upper Volta).

The intervention of the Netherlands delegation at the previously mentioned CFA session was especially remarkable. It emphasised the need of clarifying the “concept of emergency food aid” and of putting a stop to “unstructural and confused” methods. If the number of emergency food aid operations, as compared with 1974, had multiplied fourfold, this was a consequence of the broader definition of the concept of emergency. In the view of the Netherlands, one might also raise the question as to why, side by side with WFP resources,

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73 FAO's attitude is in sharp contrast to that of UNDP Administrator, Bradford Morse. In his introductory remarks to the study, he says: “It is hoped that this study will spark debate and self-examination within UNDP. There will be reservations and disagreements, and well there should be. The study will doubtless benefit from the ideas and observations of people in and outside the UN system. These ideas are solicited together with suggestions for following up the report with more specific training materials and workshops.”

74 Contributions to IEFR involve no obligation to hold separate reserve stocks at particular points. At WFP's request, donors are required, within the limits of their agreed contributions, to make food available from their national stocks (“stand-by arrangement” or, alternatively, to make corresponding cash contributions. There are notable exceptions to the principle that all IEFR contributions are to be made through WFP. Often the donors merely inform WFP of their bilaterally agreed arrangements. For further details see O. Matzke “Reform für die Nahrungsmittel-Notstandshilfe?” (Reform for Emergency food aid?), *Neue Zürcher Zeitung*, 1. 10. 1980, no. 251.

the IEFR facility should also exist, even though both sources of supply could be utilised for all kinds of food emergency cases. In the multilateral sector, donations were also effected, inter alia, to the UN Disaster Relief Organisation, the UN High Commissioner for Refugees, UNICEF and the Red Cross.

In the view of the Netherlands, donor countries should be allowed to participate more directly than hitherto in the decision-making process concerning the granting of emergency food aid. Only under such circumstances would they be in a position to explain to their parliaments the necessity of continued food aid.

Especially noteworthy is the proposal of the Netherlands to divide emergency food aid into two categories:

short-term and immediate aid in cases of sudden catastrophes, regardless of whether nature-made or man-made and including help for refugees in cases of military conflicts.

Aid in cases of foreseeable food deficit situations caused by drought, harvest failures, or plant diseases, as well as continuing aid following the temporary settlement of refugees<sup>75</sup>. The Netherlands further suggested that, in the first case mentioned above, aid should be provided from normal WFP resources and in the second case IEFR might be considered.

Donor countries' participation in the decision-making process is, in the view of the Netherlands, particularly called-for in the second case. This might be arranged by special consultations with the Permanent Representatives to FAO of the countries concerned<sup>76</sup>.

The involvement of the donor countries, is a decisive point. The obviously lax, not to say improper, exercising by the Director-General of his right of approval renders a minimum of external control prior to such approval urgently necessary, in order to limit FAO's present free-play area for discretionary jurisdiction. At present, the Governing Council (CFA) of WFP is not informed of emergency cases until months after approvals have been granted, and the most it can do therefore is to hold a more or less platonic post-hoc discussion, provided even then that a member country is prepared to bring up an individual case<sup>77</sup>.

#### IV. Manipulation of the Controlling Bodies

As explained in Chapter III, there is at present no sign of an adequate efficiency and development impact control in FAO. The Director-General pleads for "auto-evaluation" as the cornerstone of evaluation, opposing independent examinations and controls. He is obliged to tolerate the External Auditor<sup>78</sup> who, however, cannot be considered as authority guaranteeing a sufficient degree of external control over efficiency and development impact. When a number of industrialised countries, in view of almost complete lack of any controls, requested external evaluation of the organisation's activity on at least a spot-check basis, one of their spokesmen became the target of violent personal attacks by the Director-General at an open session of the Conference<sup>79</sup>.

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75 Behind the scenes of many meetings in Rome on emergency food aid, the two usually recognised disaster categories (nature or man-made) were supplemented by a third category: "Saouma-made disasters".

76 This corresponds broadly to a suggestion of the author (see article in NZZ, 1. 10. 80 cited in footnote 74).

77 A minimum of control might be provided by a small group, elected on a revolving basis for one year, consisting of Permanent Representatives to FAO, meeting weekly and/or ad hoc to assess current requests for emergency food aid in the light of detailed reports from the Director-General. In the group donor and recipient countries would be represented on an equal footing. In case the group were unable, by acclamation or majority vote, to support a proposal by the Director-General, the individual case would have to be re-examined.

78 See footnote 25 and text referred to.

79 See footnote 43.

The proposal was rejected, without any convincing reasons, by means of the developing countries' power of vote<sup>80</sup>.

It remains incomprehensible that the industrialised countries should have accepted such a decision without clear protest, although this decision in itself sanctions practically unlimited power of the Director-General to dispose of hundreds of millions of dollars yearly. As regards the financial aspects of the situation, the Director-General occupies a far more powerful position than the Heads of governments of democratic states, because his position is uncontrollable.

The seriousness of the matter is in no way lessened by the fact that most of the developing countries' governments are not in the least anxious to submit to controls on the utilization of aid received from outside and that, for this reason, they act in concert with the Director-General. Were these governments truly concerned with making genuine progress in development, they should, on the contrary, in the interests of their countries, welcome such evaluations and not dismiss them as "interference in internal matters".

The fact that the FAO Conference of 1979, for transparent reasons, identified itself with the Director-General's negative attitude towards independent spot-check evaluations, illustrates clearly how strongly the organisation is dominated by its top official. He has displayed his capability of gaining an unusually strong influence over the governing bodies of this greatest of all UN specialised agencies.

His influence bears not only on the biennially-convening full Conference and on the FAO Council, meeting at least once yearly, but also on the important Committees responsible to these bodies, in particular the Programme and Finance Committees which, among other sub-bodies, were created specifically for control purposes. Saouma has managed in nearly all cases to influence the decisions of these bodies in his favour.

It is the "Group of 77" that provides the lever to manipulate the governing bodies. The Director-General can count with certainty on the overwhelming block of votes from this Group. Manipulation starts right away from the allocation of seats in the Council, (the members of which are elected by the Conference) and the nomination of the members of the sub-bodies. The Programme and Finance Committees are dominated entirely by the "77" (See section II. 3.).

It is no secret in Rome that the top echelon of FAO, i.e. Saouma himself and some of the Assistant Directors-General, play a considerable part in guiding and coordinating the activities of the Rome "Group of 77". Many initiatives of the "77" stir from this source, which also gives help in formulating requests, or even whole statements and texts of speeches to be subsequently used in open sessions under the flag of the "77"<sup>81</sup>.

Saouma – or rather the organisation – pays a very high price for the close, or more appropriately "intimate", cooperation with the "77". On the one hand, the one-sided propping-up of all his measures on the "77" involves an abandonment of any really neutral position between North and South. FAO's activity, under Saouma, is totally and one-sidedly oriented towards the aims set by the South and, indeed, in line with the most radical version of the

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80 See extract from Conference report in footnote 45.

81 A well-informed government delegate expressed the situation by the following formula: "FAO is an organisation which manages itself by managing its managers". – How close the interplay is between the top level of FAO and the "77" was revealed clearly even to outsiders at the FAO Council Session in November 1980: The UNDP Council in June 1980 resolved unanimously (with the votes of the "77") to allocate to the specialised agencies 13 % (instead of 14 %, as to date) "support costs" in respect of technical assistance operations executed by them under UNDP funds. Thereupon Saouma stirred up an intensive campaign for the maintenance of the status quo and obtained the support of the FAO Programme and Finance Committee, in spite of the vote of the "77" in the UNDP Council in favour of the reduction. In view of the attitude of the Rome "77", no clear decision was reached in the FAO Council, even though, meanwhile, the appropriate Committee of the UN General Assembly had upheld, with the vote of the "77", the original decision of the UNDP Council. In view of Saouma's reluctance to submit to the decision of the UN General Assembly, the question still remains open. See O. Matzke "Sonderstellung der FAO im UNO-System?" – Neue Zürcher Zeitung, 11. 12. 1980, no. 288.

concept of a “New International and Economic Order”. FAO can no longer act as a level-ing-out authority between the opposing concepts within the North-South conflict. On the contrary, the Organisation has become consciously the committed advocate of one side<sup>82</sup>. On the other hand, the services rendered by Saouma in return for this position involve firm and solid material aspects. As FAO Director-General, he has countless possibilities for taking into account the concrete interests of individual countries or of their delegates by means of the decisions he is able to take at his own discretion and which are, in practice, uncontrollable. In this connection, an important part is played not only by a cleverly directed staff recruitment policy, but also, and far more, by the possibilities deriving from the Director-General’s independent power of decision on the allocation of means in a growing number of the organisation’s special action programmes.

The instrument of staff recruitment policy has been used in recent years, for instance, in connection with the nomination of a number of former spokesmen of the “Group of 77” to high or very high posts in FAO and in the UN/FAO World Food Programme<sup>83</sup>.

Saouma can, of course, operate more vigorously by means of the allocation of funds from the numerous special and action programmes, in his efforts to harness the “77” to his own purpose (see in this connection, for instance, the action programmes cited in footnote 21; Furthermore, the Technical Cooperation Programme of FAO [TCP] and the Emergency Food Aid). Any country wishing to draw on these abundant sources will take due care not to infringe the solidarity of the “77”. In the overall context here in question – i.e. the rewarding of approved conduct – the extraordinarily high proportion of capital goods provided in technical assistance operations involves insalubrious aspects, not excluding that of corruption at various levels<sup>84</sup>. Malpractices arising from the extremely broad interpretation of the concept “emergency” in connection with food aid, meet with opposition even in developing countries.

In addition to the lacking control of efficiency and development impact, FAO lacks an adequate management control. At the most there are, at the lower level, controls in respect of working hours or simple office procedures which, however, have only slight or no value as evidence for an overall control. A real control of management is evidently considered undesirable as it would render it difficult to interfere and to manipulate at will. The decline in the level of professional qualifications of the staff in a number of units plays more than a minor part in this overall context<sup>86</sup>.

## V. Fall-off in Performance due to Decline in Staff-Morale

At a closed session with top level FAO staff in November 1980, Saouma expressed his serious concern regarding the excessively large amounts of sick leave which were consistently being taken by certain staff members. He stated that “the magnitude of such absences, in fact, was such as to affect adversely the efficiency of the Organisation’s work”. One month later, he took the subject up again before the whole staff, and spoke about “the disquieting proportions and the constant growing of absenteeism”<sup>87</sup>.

82 Whether in this connection, Saouma always serves the genuine (medium and long term) interests of the South, is another question. It must be noted that the interests of the various sub-groupings of the “Group of 77” are not always identical.

83 In one case in the WFP in early 1980 there were lively protests of the part of the staff regarding the professional qualifications of a nominated officer, indicating in particular that more suitable candidates were available.

84 In this context see Section III.3, especially footnotes 63, 64 and 65.

85 See Section III.5.

86 A “resigned” FAO officer says: “Nothing is right any more. But since the salary is still more or less alright and it is difficult to step out of rank and file, one just marks time, keeps silent and does what the others do”.

87 See O. Matzke, *Frankfurter Allgemeine Zeitung*, 5. 1. 1981; and *Neue Zürcher Zeitung*, 6. 1. 1981, no. 2.

While admonishing the staff accordingly, the Director-General had before him a Study produced by the Secretariat, with the cooperation of the organisation's Medical Service. The latter is under Swedish management. The Study is treated in FAO as a confidential document<sup>88</sup>. According to the Study, the rate of absenteeism in FAO through sickness is about 20 % higher than that of the nine organisations with Headquarters in Geneva. For October, 1979, it had been calculated that the rate of sickness corresponded to the absence from work of an average of 200 staff members on one average day. The higher rate of absenteeism, as against Geneva, is partially explained by the statement "that the local cultural and social conditions are very different in Geneva as compared to Rome". In this connection, a difference in employment conditions is noted, between Geneva and Rome: "Many of the Geneva-based agencies are more reluctant to provide for the degree of job security than Rome does". According to the Study, 40 percent of the absences ascribed to sickness applied only to 8 percent of the staff. The proportion of female staff involved in absenteeism was 76 percent higher than that of the male staff. The General Services showed an absenteeism rate of 155 percent higher than staff in the "director" and "professional" categories. The Study indicates "chronic alcoholism or overuse of alcohol" as an important cause of absenteeism due to psychiatric or other illnesses. Verbally, it states: "Tests carried out recently on random FAO staff members at their periodical examinations show a rate of 20 % high values of a liver enzyme, indicating damage to the liver following long-term overuse of alcohol". For the Study, it is "obvious that such overuse must lead to impaired productivity, increased sick leave and, in some cases, disturbances of behaviour". The report continues: "Thus there is a need to set up an Alcohol Awareness Programme with official support from the highest administrative levels<sup>89</sup>".

The problem of absenteeism is basically only one of a number of symptoms of the decline of the work-moral in FAO<sup>90</sup>. Work climate and morale have been deteriorating noticeably during recent years, even though staff may be considered as privileged from the point of view of remuneration and working conditions. Most of the staff tend more and more to absolve their tasks with indifference and apathy, if not altogether with repugnance. Among the causes of this, scepticism and even lack of confidence vis-à-vis the leadership of the organisation play an essential part.

The staff is not convinced of the professional qualifications of many of its highest ranking members. It is characteristic that the chairman of the Association of Professional Staff of the FAO dared to write in a "News Letter" of the Association in 1979, that the top people in FAO "were not even capable of running a parking lot". In another "News Letter" of the Association in June 1980 he ascribed to the leadership of FAO "muddled" and "defensive thinking".

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88 See O. Matzke, "FAO Maßnahmen gegen Absentismus – Eine interne Studie". (FAO measures against absenteeism – an internal study) – *Neue Zürcher Zeitung*, 29. 11. 1980, no. 278. Also by the same author: "Hohe Krankheitsrate in der Welternährungsorganisation – Verfall der Arbeitsmoral – Chronischer Alkoholismus" (High sickness-rate in the World Food Organisation – Decline of staff morale – Chronic alcoholism.) – *Franfurter Allgemeine Zeitung*, 29. 12. 1980.

89 This programme should be administered outside the Medical Service, by the Personnel Division, but it would need the full support of the Medical Service for diagnoses and therapy. Side by side with the above-mentioned Alcohol Awareness Programme, among the other measures considered by the Study for the reduction of absenteeism are: more frequent home or hospital visits by FAO medical staff to staff members certified as sick. In the case of certain illnesses (e.g. hypertension), direct treatment by the FAO Medical Service, during working hours, is suggested. In the case of conflict between staff and supervisors causing increased sick-leave, it is proposed that, in addition to the routine check-ups, special examinations be carried out by the Medical Service. These should be carried out generally in the case of staff members with a high absenteeism rate. A special sick leave information system should be set up to analyse the causes of absenteeism and provide computer data monthly to the Medical Service "in order to monitor and control sick leave". Saouma has made supervisors responsible for following up cases of excessive absence from work and for undertaking appropriate action. At the same time, those who know FAO and appreciate the broad way in which it interprets its Constitution with regard to absence through illness, are of the view that there is little likelihood of substantial changes being made to the present situation, particularly where staff members with permanent contracts are concerned.

90 See O. Matzke, *Ungenügende Effizienz der FAO (Inadequate efficiency of FAO)*. *Neue Zürcher Zeitung*, 30. 12. 80, no. 302.

In the course of time, it could not escape the attention of a broad section of the FAO staff that their highest Chief pursues personal objectives by means of a “give-and-take” system with the “Group of 77”. Everything which could possibly favour his reelection in November stands out clearly in the foreground of the picture, as they see it. Equally, the staff fully realises that, in this connection, his practically unlimited power of disposing of considerable resources plays an essential role. The egoistic motivation of the Chief has not remained without influence on that of his colleagues<sup>91</sup>.

Precisely, those staff members who still believe in the high mission of the FAO are frustrated, particularly since they have growing doubts as to the sense of their work and refuse to accept many of the ideas proclaimed by management. In private conversations, one hears criticism, for instance, of the Director-General’s attempt to avoid independent evaluations, even if based on random checking. This, and his slogan about the quality of “auto-evaluation” are seen as signs of weakness. Anyone taking FAO seriously is perfectly willing to undergo an independent evaluation of his performance.

But nothing has been more negative or more depressing for work morale and the general “climate” than the staff policies pursued since 1976, and this does not apply only to the filling of top-level posts but just as much to those at senior and at intermediate level.

The Association of Professional Staff of the FAO has been fighting for years for the adherence to the organisation’s rules of procedure with regard to the selection of candidates for vacant posts. The Director-General has the power of waiving the rules from case to case<sup>92</sup> and he makes use of this prerogative in increasing measure. In one of its “News Letters”<sup>93</sup> the Association noted that “an unknown number” of appointments had been made without consultation of the Professional Staff Selection Committee, as prescribed by the rules of procedure. The Association went on to indicate a list of 16 specific cases in which the Selection Committee had not been consulted and mentioned that the Director-General, in September/October 1979, had exercised his prerogative, and in 5 of these cases the vacancy announcements already issued (!) had been cancelled.

Even outside the Personnel Division one hears it said that more and more posts, previously reserved for professionally qualified candidates from industrialised countries, are now offered to clearly underqualified applicants from developing countries. “Geographical” distribution of posts takes priority over professional competence. Such a reshuffling of priorities must necessarily lead to increased inefficiency in the organisation. This amounts to cultivating a staff of obedient servants, without motivation and incapable of fulfilling their task<sup>94</sup>. Particular embitterment is caused when, side by side with political considerations,

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91 It is impossible not to recognise certain parallels to the situation in UN Headquarters in New York. See Seymour Maxwell Finger and Nina Hanan, “The United Nations Revisited”, Ralph Bunche Institute of the United Nations Graduate School, City University of New York, August 1980. An extract from the study reads: “The United Nations has increasingly become a political arena where high officials engage in political give-and-take and where ‘interest groups’ lobby for their country’s interests. Consequently, a feeling of helplessness is widespread and in most cases the only effective incentives left to induce employees’ responsibility and hard work, according to high-level officials, are negative reinforcement; e.g. threat to the security of their jobs. Thus, the fundamental conception of the ideal civil service is being eroded; the dedicated, motivated, very hard-working officials are clearly a minority. Political appointees are frequently not loyal to the United Nations, but to their respective governments, upon which they depend for further reward or punishment. Many of these political appointees reach high positions of power when they are, in fact, unable to use that power constructively for UN purposes.”

92 While the Director-General, in accordance with statutory procedures, can make appointments in the “Director” category at his own discretion, he is, nevertheless, bound, in principle, by these procedures in making “professional” appointments (P1 to P5) which involve public announcement of vacancies, and consultation with the Professional Staff Selection Committee.

93 APS News Letter, Sept.–Okt. 1980.

94 As early as November 1978, the Chairman of the Association of Professional Staff of the FAO observed in the “APS News Letter”: “The entire system has become so political, with people from the ‘right’ countries and with the right connections being brought in from outside to fill jobs – even at the lowest professional levels – for which they are often untrained and unfitted, not to mention insiders leapfrogging over the heads of more qualified people for the same reason.” The same keyword recurs in the Study by Finger and Hanan (see footnote 91) when they describe the demoralizing effect of staff appointments being made for political reasons: “Numerous observers, though supportive of the ideas of geographical balance, have pointed out that often competence, integrity and dedica-

private interest or family relationships are allowed to influence decisions on staff appointments<sup>95</sup>.

## VI. Conclusions to be drawn by Member Countries of FAO

Based on the foregoing remarks, the following conclusions might be drawn by FAO member countries:

1. If FAO did not already exist, it would have to be created. But efforts must be made to bring about at least some reforms.
2. First among such reforms should be the introduction of a minimum of control over efficiency and development impact.
3. The Director-General bears the major responsibility for the present condition of FAO, which provides cause for many objections.
4. Also to blame, however, are all those member countries which accept the absence of a control of efficiency and development impact, and which declare themselves satisfied with „auto-evaluation“ propagated by the Director-General.
5. Developing countries aiming at genuine development progress must be persuaded and convinced that an increase in efficiency is, above all, in their own interest and that, for this reason, a certain amount of external control is essential.
6. The countries of the „North“, which bear the main burden of financing FAO, not only owe it to their tax-payers to see that the efficient use of means provided is properly controlled; they also owe it to themselves since they have an interest of their own in an efficient FAO.
7. Since, in the present situation, no-one knows how efficiently FAO is using its funds, an increase in the FAO budget cannot be justified. Such an increase would enlarge the danger of wasting funds. An increase of the budget by at least 50 % which, according to uncontradicted press reports, the Director-General intends proposing to the FAO Conference this year, is for these reasons alone absurd.
8. In view of the interplay between the Director-General and the representatives of the “Group of 77”, it can practically be taken for granted that an overdimensional increase in the budget will be forced through. The „77“, at the last FAO Council session, made it clear that they would be ready to support plans in regard to the budget increase.
9. Most countries of the „North“ do not dare, for (pseudo) political reasons, to declare themselves definitely opposed to the massive enlargement of the budget, which will (inevitably) be imitated throughout the UN system, leading to substantial additional financial burdens for the major donors. Since these countries will, in any case, be out-voted, they do not even consider it opportune to abstain from voting.

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tion have been sacrificed . . . Some of the negative effects of political pressure on appointment and promotion are easily observable. Frequently, the candidates forwarded by governments are not qualified for the particular task to which they are attached, and since their motivation to perform well is non-existent, their subordinate staff are the ones to carry the burden. Even when some of these appointees are genuinely willing to master their jobs, this often happens about the same time that their term of service is ending. Their replacement has to learn the job anew, a factor which undermines the coherence, efficiency and orientation of the particular unit and that of the Organisation as a whole. Obviously, this situation has devastating effects on the staff, many of whom have become compliant, demoralised and even desperate. In general, interviewees belonging to the lower echelons have acknowledged that they entertain little hope to progress in the organisation, especially when they know that criteria of merit are subordinate to political clout. Under such conditions, how could it be expected that high standards of performance be established, when many high officials set a poor example to the employees, and when employees lack the motivation to excel!” The scandalous conditions at UN Headquarters, described in the Study, cannot, of course, be taken in any way to justify the deplorable state of affairs in FAO, which is a Specialised Agency.

<sup>95</sup> An extreme example from 1980: The appointment to the wellendowed post of FAO Representative in Chile of the professionally unqualified brother-in-law of the FAO Director-General's wife. The case was made worse by the fact that, shortly after assuming office, the person in question had to be removed from his post as a result of misconduct.

10. Everything points to the probability that the countries of the „North“ will not summon up sufficient courage to abstain from voting on the re-appointment of the Director-General. In view of the position of the „77“ this reappointment may be regarded as almost certain.
11. By displaying this attitude, the industrialised countries condone the Director-General's policy to date and encourage him to continue along the same course.



## **Insufficient Control of Efficiency and Development Impact in the U.N. System**

### **The Example of the Food and Agriculture Organization of the United Nations (F.A.O.)**

BY OTTO MATZKE

Efficiency and development impact controls have, to date, been regarded within the UN system mainly as an irksome exercise causing only unnecessary expenditure, most particularly whenever these controls were to be undertaken by neutral (external) authorities. FAO, as the largest specialised agency of the system, presents a gloomy example in this regard. The present Director-General places auto-evaluation "at the heart of the evaluation process". Responsibility for "auto-evaluation" is placed on the heads of departments, division directors and programme managers at all levels.

All suggestions favouring independent evaluation coming from some member governments have been rejected by the Director-General of FAO, and the FAO-Conference in 1979, dominated by the "Group of 77", did, as desired by the DG, not even accept the suggestion of an external evaluation based on spot-checks. The majority of the Conference regarded this type of inspection as "inappropriate" since "the results might not be commensurate with the costs involved". In practice, this endorses the Director-General's almost unlimited scope for exercising his own judgement with regard to the approval of resources for aid projects, their implementation as well as other related transactions.

At present FAO has to be considered an organisation without even a minimum of neutral control in respect to efficiency and development impact.

The Director-General bears the major responsibility for the present condition of FAO which provides cause for many objections.

Also to blame, however, are all those member countries which accept the absence of a control of efficiency and development impact, and which declare themselves satisfied with "auto-evaluation" propagated by the Director-General.

Developing countries aiming at genuine development progress must be persuaded and convinced that an increase in efficiency is, above all, in their own interest and that, for this reason, a certain amount of external control is essential.

The countries of the "North", which bear the main burden of financing FAO, not only owe it to their tax-payers to see that the efficient use of means provided is properly controlled; they also owe it to themselves since they have an interest of their own in an efficient FAO. Since, in the present situation, no-one knows how efficiently FAO is using its funds, an increase in the FAO budget cannot be justified. Such an increase would enlarge the danger of wasting funds. However, in view of the interplay between the Director-General and the representatives of the "Group of 77", it can practically be taken for granted that an overdimensional increase in the budget will be forced through.

The interplay between the Director-General and the "Group of 77" makes it almost certain that Mr. Edouard Saouma will be re-appointed Director-General in November 1981. There is furthermore the probability that the countries of the "North" will not summon up sufficient courage to abstain from voting on the re-appointment of the Director-General. By displaying this attitude, the industrialised countries condone the Director-General's policy to date and encourage him to continue along the same course. This implies the danger that FAO remain an institution which is to a large extent out of an independent control.