The decentralization process continues to receive significant institutional support from member countries. As noted in the Programme of Work and Budget 2018-19, the Secretariat has embarked on a review of the scope and modalities of country coverage in each region and will progressively adjust existing modalities to increase flexibility in the use of the budgeted resources. Measures include negotiations with some countries with limited programme or low delivery to change from Fully-fledged to Multiple Accreditation Representations. Partnership and Liaison Offices are also being negotiated with interested middle- and high-income countries.

There has been progress in strengthening the Rome-based Agencies collaboration at country, regional and global levels to leverage their joint resources. Good practices are being developed and replicated in a range of contexts, highlighting common challenges, approaches and innovations, scaling up effective joint activities and developing common initiatives.

Suggested actions by the Regional Conference:

The Regional Conference may wish to:

- Support the proposed principles and general criteria for reviewing FAO’s decentralized network coverage through the adoption of flexible arrangements.
- Recognize the need to review FAO’s global coverage to direct more effective support to Members with particular regard to countries facing serious economic and social challenges.
- Welcome the review of country office staffing models to increase flexibility and to adjust to the emerging needs of the countries.

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• Acknowledge efforts made by the Organization in the region to strengthen national and international partnerships with key stakeholders for more effective normative and field support.
• Appreciate the strong focus and work of the Organization at country level though achievements highlighted in the celebration of the 40th anniversary of many FAO Representations in the region.
• Welcome the 40th anniversary initiative as an opportunity to renew the Organization’s commitment to its long-term presence in the field while assuring flexibility, efficiency and a high level of technical capacity.
• Underline the continuing need to prioritize partnerships and resource mobilization at the country level, with emphasis on South-South and Triangular Cooperation and still closer collaboration with Rome-based and other UN agencies.

I. Background

1. The Council, at its 153rd Session, requested that the Independent Review of Decentralized Offices Network be reviewed by the 2016 Regional Conferences. All Regional Conferences welcomed the document and supported the proposed principles and general criteria for reviewing the coverage of FAO offices.

2. Taking into account the views of the Regional Conferences and the May 2016 Programme and Finance Committees, the 154th Session of the Council:
   • recognized the need to update the coverage of FAO’s Decentralized Offices in a flexible manner and with no increase in the overall decentralized network budget. In addition, it supported the principles and the criteria to be applied in a region-specific manner as identified by the Independent Review of Decentralized Offices Network;
   • endorsed the region-specific recommendations arising from each of the 2016 Regional Conferences, including the creation of new offices or support for the strengthening of existing capacities on a cost-neutral basis, ideally through a cost-sharing agreement with the host government concerned;
   • endorsed the creation of a separate Subregional Office for West Africa (SFW), preferably based in a francophone country, and a Subregional Office for Mashreq Countries (SNM) in Lebanon;
   • supported the use of “Partnership and Liaison Offices (PLOs)”, as well as “Multiple Accreditation Offices” (with the FAO Representative located in another country); and
   • encouraged the Director-General to continue efforts to consolidate decentralization and enhance capacity and internal control at decentralized locations, while maintaining the technical capacity at headquarters and in decentralized locations to achieve the delivery of the programme of work.

3. In July 2017, the 40th Session of the Conference endorsed the main findings of the Report on the Independent Assessment of the Technical Capacity of the Organization that was conducted in 2016 with the following recognitions and recommendations. The Conference, amongst others:
   • appreciated the increase in technical capacity of the Organization from 2012 to 2016, both at headquarters and in the decentralized locations, in spite of a flat nominal budget level and overall decline in the number of positions in the period under review; and
   • welcomed the suggestion for greater collaboration between FAO, the International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP) on administrative areas, for cost-reduction and efficiency, and to leverage FAO’s pre-eminent position as a repository of technical capacity.
4. The 158th Session of Council (December 2017) endorsed the updated organizational structure and noted that further budgetary transfers could arise as a result of guidance from the Regional Conferences, further work planning and from the most efficient modalities of implementation during the biennium.

II. Common achievements among the five regions

5. As noted in the Programme of Work and Budget (PWB) 2018-19, the Secretariat has embarked on a review of the scope and modalities of country coverage in each region, in line with the guidance of the Council at its 154th Session in May-June 2016.

6. The current country office staffing models are not well aligned to countries’ needs. In particular, the very high share of resources dedicated to staff costs in the FAO Representations’ network net appropriation budget limits the Organization’s flexibility to adjust to emerging needs and invest in evolving expertise requirements. Therefore, during the biennium the Secretariat will progressively adjust the modalities of country coverage and take measures to increase flexibility in the use of the budgeted resources. To achieve this, a streamlined country office staffing model will be gradually introduced based inter alia on the size and relative complexity of the country programme, including voluntary contributions and partnerships. Over time, this approach will allow net appropriation resources to be reallocated within the country office network budget of each region on a cost-neutral basis, according to country-specific and emerging needs and priorities (such as Low-income Food-deficit Countries [LIFDC], Low- and Lower Middle-income Countries, and Small Island Developing States [SIDS]). Priority will be given to investing in technical capacities, partnership building, outreach, and South-South and Triangular Cooperation.

7. In order to match the size of the FAO country offices and their resource allocation with the level of needs and country contexts, negotiations are ongoing with some countries with limited programme or low delivery, to change from Fully-fledged to Multiple Accreditation Representations. A first agreement was signed with Costa Rica in 2017. For those countries that have higher delivery rates, negotiations are ongoing to change from Multiple Accreditation to Fully-fledged country offices or from no presence to Multiple Accreditation on a cost-neutral basis. Partnership and Liaison Offices (PLOs) are being negotiated with interested middle- and high-income countries. A new PLO was established in Mexico in October 2017, raising the total number of FAO PLOs to six.

8. To further strengthen technical support to member countries, the new SNM is being established in Beirut, Lebanon, with the agreement of the Government of Lebanon to host this office. The SNM Multidisciplinary Team, to be fully covered by extrabudgetary resources, will include experts in the areas of policy, resilience, climate change, plant protection, agro-industries, and rural organizations and extension. The Subregional Coordinator position, shown in the SNM budgeted post establishment, is a transformation of the original FAO Representative position in Lebanon. The new SFW is expected to be established in early 2018. The exact composition of the SFW Multidisciplinary Team is still under discussion but will be established through a combination of post transfers from the Regional Office for Africa (RAF) which currently covers the functions for the subregion, and posts funded under the Host Country Agreement. The Subregional Office for the Gulf Cooperation Council States and Yemen (SNG) is being strengthened following additional support from the United Arab Emirates Government. The new Multidisciplinary Team of the SNG will provide expertise in the areas of economic and social development, plant production and protection, water management and irrigation, fisheries and aquaculture, and livestock development.

9. In addition, the programming and implementing capacities of all five FAO Regional Offices have been strengthened with the establishment of the new senior position of Regional Programme Leader to take overall responsibility for the substantive formulation, implementation and monitoring
of the programme of work in the region. This is in line with the process of consolidation of the Strategic Programme and the Regional Initiatives.

10. In order to increase country resource allocations, the Organization is following up on the enforcement of the outstanding Host Country Agreement commitments of governments, such as Government Counterpart Cash Contributions (GCCCs) and in-kind contributions. Meanwhile, renegotiations of some of the older Host Country Agreements are being undertaken which include updated government contributions to reflect the economic status of the country concerned. This exercise is ongoing but by nature this process can be lengthy.

11. It is also important to mention that Quality Reporting is emphasized as one of the key areas where improvements for all FAO Decentralized Offices are sought. In 2017, the initial phase of the Internal Control Reporting process was launched in all five regions. The IC Reporting has replaced Annual Checklists for FAO Representatives. This process is a long-term commitment that also attempts to streamline the work of the Decentralized Offices and integrates the Internal Control Questionnaire (ICQ) with other reporting requirements, including an External Risk Assessment. Through the end of December 2017, all of the required ICQs from country offices had been submitted. Based on the ICQs, each Regional Office will prepare representation letters which the Director-General will use to prepare the Statement of Internal Control. Senior management, with the strong endorsement and support of the Governing Bodies, as well as External Audit, continues to emphasize the need for strong internal control and effective risk management.

12. The strengthening of the Rome-based Agencies (RBA) collaboration is ongoing at country, regional and global levels. The RBAs are fully committed to jointly contributing to the 2030 Agenda for Sustainable Development and working together to support countries in its implementation. Good practices are being developed and replicated in a range of contexts, highlighting common challenges, approaches and innovations, scaling up effective joint activities and developing common initiatives. In September 2017, the heads of the three RBAs travelled together to Ethiopia for the first-ever joint country mission, where they made a joint call for enhanced investment in strengthening people’s resilience to drought and the impacts of climatic shocks. At country level, the RBAs are joining in project programming, formulation and implementation. For instance, FAO Sudan has signed a Country Level Declaration with WFP to enhance the sustainability and impact of country programme interventions and strengthen areas of collaboration and partnership at country level. Furthermore, the number of countries where FAO and IFAD are sharing premises continues to grow and has now reached eight, in line with the framework agreement signed by the two agencies in 2013.

13. In the context of the General Assembly resolution on the 2016 Quadrennial Comprehensive Policy Review (QCPR) (71/243), the UN Secretary-General presented for consideration and endorsement of Member States, a reform proposal for a more effective, cohesive and accountable United Nations Development System, allowing for appropriate support to the achievement of the 2030 Agenda. The reform calls for significant adjustments in the skillsets, leadership, coordination and accountability mechanisms of the system. The vision is articulated along seven reform streams: i) Delivering system-wide results; ii) new generation of UN Country Teams; iii) reinvigorated UN Resident Coordinator System; iv) a revamped regional approach; v) improved oversight and accountability; vi) scaling up partnerships; and vii) a new funding compact. The reform entails a variable time frame for the implementation of the different proposals, and is subject to Member States’ support. FAO is assessing the implications of this package of reform proposals while actively engaging with the UN Development System at country and regional levels to support the Secretary-General’s reform initiative.
III. Achievements and challenges in the Decentralized Offices Network in the region

14. Coverage remains a challenge in the Pacific, given the number of countries in the subregion (14) and the enormous geographical area that it covers. Efforts continue in order to increase FAO’s presence in the Pacific Islands and to ease the burden on the Office in Samoa. An International Officer has been placed in Papua New Guinea and four national Assistant FAO Representatives have been appointed in Fiji, Solomon Islands, Tonga and Vanuatu, as recommended in the previous session of the Regional Conference for Asia and the Pacific.

15. The Organization is considering supporting the North Pacific through multiple accreditation to accelerate FAO's technical work.

16. A fully-fledged Representation has been established in Mongolia. Discussions are also underway on upgrading the office in Papua New Guinea into a fully-fledged FAO Representation with multiple accreditation to Solomon Islands and Vanuatu as endorsed at the 154th Session of Council.

17. Strategic partnerships have been key in 2016-17 and are expected to continue to generate resources and results for member countries. Emerging economies are leading on South-South and Triangular Cooperation because of the mutual benefits that it brings in terms of more cost-effective and more efficient mechanisms for addressing development challenges. With a broad mandate that requires a holistic approach, FAO is engaging more countries and a wider range of partners, including the private sector, civil society and cooperatives. FAO has facilitated cooperation between Afghanistan and Turkey in land administration, which has been praised at the highest level by both countries as a good example of development cooperation. Furthermore, China and the Mekong countries have initiated cooperation in transboundary animal disease control under the FAO-China South-South Cooperation programme. FAO is in the process of facilitating intra- and interregional cooperation with a view to narrowing the technological gap among middle-income and less developed countries.

18. Following the lead taken by the RBA Heads of Agencies, FAO and WFP have been actively engaging in periodical discussion at the Regional Director level in the region. FAO and WFP Regional Heads are jointly monitoring the process of collaboration at the national level, particularly encouraging the country team to come up with joint programmes whenever such opportunities arise. At regional level, FAO and IFAD are collaborating on a flagship report on the impacts of urbanization, demographic shifts and climate change. At subregional level in the Pacific, FAO and WFP co-chair the Regional Pacific Food Security Cluster to prepare for, and respond to, natural disasters in the Pacific Islands. The first-ever meeting of the Regional Pacific Food Security Cluster Forum was organized with the participation of Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu. The World Bank and UN Agencies (WFP, the World Health Organization and the UN Children’s Fund) collaborated with FAO in the high-level FAO Asia and the Pacific Symposium on Sustainable Food Systems for Healthy Diets and Improved Nutrition, held in Bangkok in November 2017. FAO and IFAD are partnering as part of the Interregional Initiative on SIDS to improve implementation of the Global Action Programme in the Pacific SIDS region.

IV. Options for change in the Asia and Pacific region and suggested action by the Regional Conference

19. The context of the network of Decentralized Offices in the region is changing as many member countries in the region graduate towards middle-income and upper-middle-income status, and the traditional donor-recipient relationship is shifting towards an economic partnership model. In countries that have major cooperation programmes with FAO, PLOs are a very interesting and valid option for elevating the status of existing FAO Representations. Such offices guarantee that FAO
cooperation programmes can depend on more predictable and long-term resources, generate greater synergies between planned activities, and boost the mobilization of additional resources from other donors interested in strengthening country cooperation programmes with FAO.

20. Another valid option for these countries that have relatively small collaboration programmes with FAO would be to establish a lighter structure of the Office that is better suited and more responsive to the country’s needs. Either way, these countries would maintain their Representation with a team of core national staff.

V. 40 years of FAO country Representations

21. FAO’s Decentralized Office Network covers 152 countries. Within this network, there are 85 fully-fledged country Representations, of which 55 were established between 1977 and 1979. Approximately 70 percent of these offices are therefore marking their 40th anniversary between 2017 and 2019. A rolling three-year anniversary initiative is under way to celebrate “40 years of FAO country Representations”.

22. By showcasing results achieved through the Organization’s long-term country presence over the past four decades, the initiative is proving a useful occasion to illustrate the alignment of FAO’s expertise with government priorities while also demonstrating its agility in adapting to the evolving needs of regions, subregions and countries.

23. Anniversary celebrations have shown strategic partnerships and innovative resource mobilization options, including close collaboration with Rome-based and other UN agencies, to be integral to FAO’s decentralization strategy and essential for supporting member countries’ achievement of the Sustainable Development Goals, particularly in areas concerning food security and nutrition.