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Additional Information on Enhanced Technical Capacity and Consolidation of Programme Management Arrangements in 2016-17

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Introduction

1. The Joint Meeting of the Programme and Finance Committees on 7 November 2016 welcomed the actions being taken by the Director-General aimed at enhancing the technical capacity of the Organization, as well as the proposed changes to the organizational structure to strengthen programme management and delivery on a budget neutral basis in the current biennium, as follows: new Department of Climate, Land and Water, headed by an Assistant Director-General reporting to the Deputy Director-General (Climate and Natural Resources), DDN; new Deputy Director-General (Programmes), DDP; new Office of Chief Statistician (OCS) reporting to the DDP.1

2. In submitting the related changes to the headquarters’ organizational structure to the Council for approval, the Joint Meeting appreciated that “additional information would be provided before the next session of the Council on the budget neutrality of the structural changes, the relationships between the newly created Departments and those already existing, the role of the Chief Statistician, the timing of the change, and the conversion of administrative positions to technical positions and the respective timelines.”2

3. This note provides the additional information in two parts: i) programme management arrangements, which have been submitted by the Joint Meeting for approval by Council, and ii) conversion of administrative to technical positions, for information.

I. Programme Management Arrangements

4. This part sets out the timing and budget neutrality of the proposed headquarters’ organizational structure changes in 2016, clarifies the relationship between the new and existing Departments, and elaborates on the role of the Chief Statistician.

A. Structural changes – timing and budget neutrality

5. The structural changes proposed by the Director-General are a consolidation of internal management arrangements designed to advance the Organization in the strategic and programmatic direction prescribed by its Members. Approval by the Council of these proposals in December 2016 is necessary to ensure that FAO can progress effectively, and in a timely manner, within the context of major global circumstances, particularly on implementation of the Sustainable Development Goals and commitments to address climate change. The proposals are budget neutral within the current Programme of Work and Budget 2016-17 and are therefore within the authority of Council to approve.

6. The governing bodies have requested the Director-General to ensure that FAO assists countries to achieve the SDGs and address climate change, in line with the adoption of the 2030 Agenda in September 2015 and the entry into force of the Paris Agreement on climate change in November 2016, recognizing that food and agriculture are critical in this effort. The international community is moving quickly to put in place coordination mechanisms and actions, including through the 2016 Quadrennial Comprehensive Policy Review to be adopted by the UN General Assembly in December 2016 and applicable to all UN funds, programmes and specialized agencies.

7. The expectations for FAO to take action now are significant and urgent. FAO’s current Strategic Programmes are closely linked to addressing the SDGs and the Paris Agreement, as demonstrated in the outline of the Medium Term Plan 2018-21,3 which maintains the strategic direction of FAO’s work, and FAO’s Climate Change Strategy and plan of action.4 The urgency is to elevate and more actively apply FAO’s Strategic Programmes to help countries address their international commitments.

8. In particular, FAO has been designated as custodian agency for 21 SDG indicators and contributor to four more indicators, with significant responsibility for developing standards and

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1 JM 2016.2/2
2 CL 155/7 paragraph 6 and Annex 1
3 CL 155/3 paragraphs 183-197
4 PC 120/2
methodologies and building capacity in countries, coordinating with the UN Statistical Commission and the UN Regional Economic Commissions. Timing is of paramount importance because final refinements are being made at this very moment to the framework for monitoring and reporting SDG indicators. In this regard, in November 2016 the Chief Statistician attended the Fourth Meeting of the Inter-Agency Expert Group on SDG Indicators to provide FAO’s views in finalizing the initial tier system for indicators and to provide comments regarding data flows from national to regional and global level and best options for data delivery.

9. Furthermore, FAO has been accredited to the Green Climate Fund (GCF) in October 2016 and is being called upon now to assist countries in developing proposals in the food and agriculture sector within strict guidelines and deadlines. FAO’s recent participation in the GCF structured dialogue with African countries and in preparation of the dialogue with Latin American countries indicate that a number of countries are facing major problems of capacities to be able to formulate and implement climate-related Investment projects. As a consequence there is a very high demand for FAO expertise and partnership as an international accredited entity for technical assistance in the development of country programmes and adaptation planning for the agriculture sector; developing bankable project documents; and future implementation of climate change adaptation or mitigation projects.

10. The bulk of government proposals for GCF funding fall under FAO’s domains of competence, and a large number of concept notes formulated at country level and at different stages of elaboration have already been presented by National Designated Authorities for full-fledged formulation and submission to GCF Secretariat over the next two years. It is this essential for FAO to invest now, upfront, but also to be well organized with clear leadership in climate-related work, in order to transform the opportunities and the demand from the membership into concrete action.

11. To meet these urgent needs, the Director General has proposed three changes to consolidate the Headquarters’ Organizational structure to take effect in December 2016, which have been submitted by the Joint Meeting for approval by the Council:

   a) new Department of Climate, Land and Water (CL) headed by a new Assistant Director-General, to raise the profile and strengthen FAO’s work on climate change adaptation and mitigation, encompassing the existing Climate and Environment Division and the Land and Water Division;

   b) new Deputy Director-General for Programmes (DDP), encompassing the existing SP teams, Technical Cooperation Department, Partnerships, Advocacy and Capacity Development Division, Liaison Offices, and the new Office of Chief Statistician, to elevate and strengthen the Programme Management function and better link it with technical knowledge and operations;

   c) new Office of Chief Statistician (OCS) to allow the Chief Statistician to focus on the SDG indicators and coordination of statistical functions that cut across technical and operational work and contribute to the Strategic Programmes.

12. From a budgetary perspective, these changes to consolidate the headquarters’ structure so as to elevate and strengthen FAO’s work on climate change, SDGs and statistics require the creation of three new senior technical management positions: Deputy Director-General (Programmes), Assistant Director-General (Climate, Land and Water), and Chief Statistician. The cost (USD 1.86 million) will be covered by savings arising during 2016-17 from streamlining of administrative services (see Section II). Therefore, the structural changes are budget neutral, that is, they are accommodated within the approved 2016-17 budgetary appropriation and do not require additional resources, and therefore are within the authority of Council to approve.

13. The alternative timing would be to include the proposals in the Programme of Work and Budget 2018-19 for approval by the Conference in July 2017 and implementation in 2018. Such a delay would impede the Director-General from exercising his responsibility for managing the Organization in the most effective and timely manner to address the needs of Members. A delay is not necessary on budgetary grounds, as administrative savings have already been secured in the current biennium.
B. Coordination arrangements among departments

Transformational change during 2012-2016

14. From the start, the reviewed Strategic Framework and its implementation arrangements have had the overarching aim of applying FAO’s technical knowledge more effectively to help countries achieve their goals of eradicating hunger, reducing poverty and producing environmental sustainability. Consequently, to be effective the Organization must focus and prioritize its efforts, and it needs to work across disciplines and in partnership with others.

15. Transformational change during 2012-13 brought about new ways of working in 2014-15: the reviewed Strategic Framework focusing FAO’s work on five Strategic Objectives, a results-based planning and monitoring framework in the MTP/PWB, and a matrix management approach to deliver time-bound results at country, regional and global levels.

16. The Adjustments to the Programme of Work and Budget 2016-17 approved by the Council in December 2015 put in place measures to strengthen programme delivery through enhanced internal management arrangements and a rationalized headquarters capacity. In particular, five dedicated Strategic Programme Leaders (SPLs) were established and their small management teams put in place to support the design, programme planning, strategic management and monitoring of the Strategic Programmes delivered by teams comprising staff from decentralized offices and technical departments, with the technical departments also responsible for ensuring the technical excellence of the work delivered, as well as the Corporate Technical Activities and provision of global public goods.

Consolidation of programme management arrangements in 2016

17. FAO’s organizational structure is designed to facilitate the results-based process, organizing and shaping the way in which its component parts interact with each other, with countries and with other partners. From the onset of the implementation of the reviewed Strategic Framework with its transversal Strategic Objectives, the Secretariat was aware that it would require not only significant changes in the way the Organization works, but also the capacity to adapt and adjust management arrangements with the view to improving and accelerating the delivery of concrete results.

18. Based on experience to date and the evolving demand from the membership resulting from the launching of the 2030 Agenda and related international agreements, three changes to consolidate FAO’s high level Programme Management structure are required, as set out in document JM 2016.2/2:

a) raise the profile and strengthen FAO’s work on climate change by establishing a Climate, Land and Water Department headed by an Assistant Director-General reporting to the Deputy Director-General (Climate and Natural Resources), DDN, encompassing the existing Climate and Environment Division (NRC), and the Land and Water Division (AGL);

b) elevate and strengthen the Programme Management function and consolidate linkages to partnerships, resource mobilization, South-South Cooperation, investment and statistics under a new Deputy Director-General (Programmes) (DDP), encompassing the existing five Strategic Programme Management Teams, the Technical Cooperation Department (TC), the Partnerships, Advocacy and Capacity Development Division (OPC), and the Liaison Offices;

c) create a new Office of Chief Statistician reporting to DDP.

19. With these consolidation arrangements, the Secretariat is confident that, following the principle that “form should follow functions”, the Organization is putting in place a structure which would allow to maximize synergies in all locations to achieve corporate accountability towards agreed results. The roles and relationships of the four main pillars of this structure – Programmes, Climate and Natural Resources, Economic and Social Development, and Operations - are described below.
Deputy Director-General (Programmes), DDP

20. In order to enhance the impact of the Strategic Programme Management Teams and the mobilization of external resources, both financial and institutional, at their disposal, it is proposed to place these existing elements together under the responsibility of a new Deputy Director-General (Programmes), DDP. This is expected to increase their capacity to design interdisciplinary responses to identified problems and consequently their utility and effectiveness as a bridge between FAO’s technical knowledge arm and its operational arm. The new DDP will encompass:

a) the five Strategic Programme Management Teams as they are currently constituted, but reporting directly to DDP instead of ADG-TC;

b) the existing offices that contribute to “resource mobilization” in the broad sense: the Technical Cooperation Department (including TCP unit, TCE, TCI, TCS), OPC, and the existing Liaison Offices. This includes the collaboration with financial contribution partners, investment mobilization working with multilateral financial institutions, partnerships with civil society organizations and the private sector, and South-South Cooperation with governments and non-state actors. The Liaison Offices play a key role in this regard.

21. DDP would, in this sense, sit between the Deputy Director-General (Operations) (DDO) that consolidates the operational capacity and network of decentralized offices of the Organization, and the technical arms of DDN, which consolidates FAO’s technical capacity relating to climate and natural resources, and the Economic and Social Development Department. DDP would provide strategic direction and oversight of the Strategic Programmes in support of their implementation by the technical and operational arms. The DDP champions the mobilization of resources and partnerships to support the implementation of the Organization’s Strategic Framework.

22. Under this organizational arrangement the roles and relationships of the SPLs, departments and decentralized offices will not change: the Strategic Programme Leaders (SPLs) and their small management teams will continue to be responsible for the design, programme planning, strategic management and monitoring of the Strategic Programmes delivered by teams comprising staff from decentralized offices and technical departments, with the technical departments also responsible for ensuring the technical excellence of the work delivered, as well as Corporate Technical Activities and provision of global public goods.

Deputy Director-General (Climate and Natural Resources), DDN

23. The Deputy Director-General (Climate and Natural Resources) (DDN) oversees departments and offices responsible for agriculture and consumer protection, fisheries and aquaculture, forestry, climate, land and water.

24. The new Climate, Land and Water Department (CL) reflects the strategic importance of FAO’s support to climate change adaption and mitigation. The CL Department will include the present Climate and Environment Division of DDN and the Land and Water Division moved from AG Department, and host various climate- and environment-related international conventions.

25. The CL Department will play an important role in supporting member countries’ drive for action on climate, land and water at scale. It will facilitate the delivery of FAO’s cross-cutting work on climate change adaptation and mitigation, climate policy and finance, and environment, in support to the Strategic Programmes and also towards supporting countries in mobilizing transformative investment. The CL Department will coordinate the development and implementation of FAO’s Strategy and Action Plan on Climate Change as a cross-cutting theme.

26. In addition, land and water are critical for agricultural systems to adapt to climate change, as identified by the Intergovernmental Panel on Climate Change (IPCC) and FAO’s own work. Climate projections provide abundant evidence that fresh water resources are vulnerable and have potential to be strongly impacted by climate change with wide-ranging consequences for human societies and ecosystems. Changes in water quantity and quality due to climate change are expected to affect food availability, access and utilization in all sectors, but specifically in agriculture.
27. FAO’s engagement should be anchored in broader political processes and commitments member countries make under relevant international conventions. The CL Department will support investment to drive climate action to scale through strengthening the Organization’s capacity to leverage funding from the Green Climate Fund (GCF), Global Environment Facility (GEF), Carbon Fund and Adaptation Fund. Member countries and FAO’s decentralized offices will require considerable technical support, capacity-building and financial resources to build climate finance readiness and implement and report on their NDCs. This will be undertaken in close collaboration with the Technical Cooperation Department (TC).

28. The 25th session of COAG (2016) welcomed the FAO Strategy for Climate Change and requested that it encompass issues relating to biodiversity, exploring synergies between adaptation and mitigation, as well as fostering collaboration among countries. The CL Department will bring together support for the three Rio Conventions (Convention for Biological Diversity, Climate Change Convention, and the United Nations Convention to Combat Desertification) and will facilitate cross-departmental work on environmental and sustainability issues, including biodiversity and ecosystem services. It will also house the Secretariats of the Commission on Genetic Resources for Food and Agriculture (CGRFA) and the International Treaty on Plant Genetic Resources for Food and Agriculture (IT-PGRFA), as well as the geospatial information function and the social and environmental impact assessment function.

Assistant Director-General (Economic and Social Development), ES

29. One of the major themes emerging in 2012 during the review of the Strategic Framework was the need to enhance and strengthen capacity and expertise connected to economic and social development, which required adjustments to the organizational structure. The Economic and Social Development Department was bolstered with respect to policy assistance, nutrition, social protection and governance capacities in 2012-13. Accordingly, and in order to translate the guiding principle into an effective and efficient structure, work on economic and social development is being led under the guidance of the Director-General from 2014.

30. In view of the unique importance of the position and of the ES Department in the provision of norms, methods, statistics and information, as well as the importance of policy support and governance, in the delivery of the Strategic Programmes of the Organization, it was decided that from 2014 the ADG position heading ES Department would be also Coordinator for Social and Economic Development and report directly to the Director-General. In this context, ES maintains close working relations with DDN, DDP and DDO by ensuring that economic and social dimensions are integrated in the work of the Strategic Programmes and technical departments.

31. The Assistant Director-General, Economic and Social Development Department, oversees five divisions responsible for agricultural development economics, nutrition and food systems, trade and markets, social policies and rural institutions and statistics, and is responsible for the cross-cutting themes of gender, governance, and nutrition as well as ensuring the overall quality of FAO policy support in the Strategic Programmes.

Deputy Director-General (Operations), DDO

32. The Deputy Director-General (Operations), DDO provides strategic direction and oversight over the decentralized offices network (regional, subregional and country offices), the Corporate Services Department, the Information Technology Division, the Conference, Council and Protocol Affairs Division, and the Headquarters and Field Security Unit, with a view to ensuring the required environment and providing the operational support and services needed to deliver the Organization’s programmes and results framework.

33. The Deputy Director-General, DDO oversees the development and implementation of FAO's decentralization strategy which aims to improve the effectiveness of the Organization's work at country, subregional and regional levels, a management approach with increased delegation of authority and an environment that encourages staff creativity and initiative.

3 C 2013/3
C. Role of Chief Statistician

Current arrangement

34. FAO currently operates within the context of a decentralized statistical system, where technical departments carry out their own statistical programme of work, and maintain ownership of data. Since the end of 2012, the FAO statistical system has functioned under the broad oversight of the Chief Statistician, who is currently also the Director of FAO’s Statistics Division. The Chief Statistician works in close consultation with the Interdepartmental Working Group (IDWG) on Statistics to ensure effective coordination of all FAO statistical programmes, and corporate consistency and alignment of statistical practices at headquarters and in the field. In November 2015, Administrative Circular 2015/22 was issued to give the Chief Statistician responsibility for ensuring consistency, reducing duplication of efforts and guaranteeing the quality of FAO statistical data, which is an important and widely used global public good.

35. This system of governance has promoted greater coherence and accountability but additional changes are needed to further enhance the quality of contributions from the technical divisions and decentralized offices so as to result in maximum efficiency and quality gains for the FAO statistical outputs. A recent corporate survey conducted to assess the quality of FAO’s statistical processes revealed the need for better compliance with approved procedures in the dispatch of questionnaires to countries to increase response rates, data quality, strengthen data validation and promote more consultation with users of FAO databases.

36. The Chief Statistician provides a strategic vision for FAO’s work in Statistics and fulfils the following functions:

a) Statistical indicators and corporate monitoring: Oversee the development and validation of all statistical indicators including for the SDGs; in partnership with OSP, carry out the Corporate Outcome Assessment of FAO’s results framework, which in future will be linked to the SDG indicators.

b) Corporate statistical planning and programme management: Plan, review, approve and monitor the biennial statistics programme of work, including elements planned under the Strategic Programmes.

c) Statistical governance and quality assurance: Steer and facilitate FAO statistical governance, both externally (e.g. facilitate relations with member-based statistical governing bodies) and internally (e.g. IDWG on Statistics); establish and monitor policies and guidelines for FAO statistical processes.

d) Partnerships for statistics: Further develop partnerships with other agencies for collaborative work in the area of statistics and strengthen relationships with resource partners.

e) Policies for data collection: Review all data collection activities, including questionnaires and surveys.

f) Statistical standards, classifications and methodologies: Develop, review and implement statistical standards, classifications and methodologies.

g) Statistical capacity development: Review, approve and monitor statistical capacity development including liaising with member countries to assess users’ needs for statistical capacity development.

SDG indicators – new requirements

37. The UN Statistical Division, which serves as Secretariat for the UN Statistical Commission, has assigned FAO to serve as custodian agency for 21 global indicators, and contribute to four additional indicators. As custodian, FAO will be responsible for collecting data from national sources, validating and harmonizing them, estimating regional and global aggregates and publishing them online. FAO will also contribute to the annual SDG progress reports by providing country, regional and global data and storylines to the UN Statistical Division.
38. Additionally, custodian entities are responsible for methodological development work to further refine Tier I and II indicators, to develop agreed and peer-reviewed methods for the compilation of Tier III indicators, and to provide detailed and standardized documentation on all relevant SDG indicators. Custodians are also expected to coordinate with other stakeholders interested in the indicator development.

39. FAO’s function as custodian for 21 SDG indicators implies major requirements for new data, statistical methodologies and capacity development. More specifically, the Organization, under the overall supervision and coordination of the Chief Statistician, will be responsible for:
   a) developing new statistical methodologies and making use of recent advances in Information and Communication Technology capabilities to collect agricultural-related data in a cost-effective way;
   b) promoting the adoption of internationally agreed statistical methods/standards and fostering a strong partnership between the national and international statistical systems for the production of the required statistical information and for the improvement of national statistical capacities;
   c) collecting data from national statistical agencies, aggregating and disseminating them at regional and global levels; and
   d) coordinating with the UN Statistical Commission and the UN Regional Economic Commissions and preparing annual global progress reports.

40. In response to the new demands, the scale of FAO’s statistical work and the need for coherence and coordination will increase manifold and the interactions of the technical divisions and decentralized offices with countries and other regional and international organizations will become more intense. Given FAO centrality in the implementation of the global development agenda, the visibility of FAO’s statistics will significantly increase and any data quality issues will severely affect FAO’s reputation as a centre of excellence in food and agricultural statistics.

41. Currently, the Chief Statistician and the Director of the Statistics Division (ESS) are one and the same person with two sets of distinct functions. To meet the increasing needs for custodianship of SDG indicators and for coordination in an efficient and effective manner, there is an evident need to separate these coordination, policy and technical assurance functions of the Chief Statistician from the operational functions of the Director of the Statistics Division.

42. Furthermore, to better fulfill these functions, the new Office of Chief Statistician is expected to operate in a similar manner as the current Strategic Programme Leaders, putting in place Service Level Agreements to guarantee the delivery of statistical products and services by divisions and to users. Therefore, it is logical to place the Office of the Chief Statistician under DDP rather under the ES Department (or any other Department which produces data).

Relationship of the Office of the Chief Statistician with the Statistics Division and other operational statistical units in FAO

43. The FAO units that carry out statistical work must operate in compliance with the procedures, policies and standards established through the Interdepartmental Working Group on Statistics under the overall oversight and accountability of the Chief Statistician.

44. The Statistics Division (ESS) in the Economic and Social Development Department, as well as the statistics units within the technical departments will focus on data acquisition, data processing, data validation, imputation and data dissemination for the statistical domains currently covered. Methodological development and refinement of indicators and capacity development functions in the above areas will also continue to be ensured by ESS and the statistics units within the technical departments.
45. In the case of the Statistics Division, the main functions of the Director, ESS will be to lead the division in the following:

a) Management of the acquisition, validation, processing, imputation and dissemination of agricultural production statistics; trade statistics; food balance sheets; food security and nutrition statistics; environmental statistics; social development statistics; price statistics; investment and financial statistics; agricultural damages and losses statistics.

b) Provision of technical assistance in the above areas (and for Agricultural Census).

c) Methodological development and refinement of indicators in the above areas.

d) Regular updates of the FAOSTAT database.
II. Conversion of Administrative Positions to Technical Positions

46. The pursuit of efficiency gains and savings remains a high priority for the Organization. The Director-General’s transformational change for FAO, starting in 2012, included as a prime element the need to institute a mindset of value-for-money within the Organization. This has resulted in substantial efficiency savings:

   a) USD 71.6 million in 2012-13, and USD 36.6 million during the 2014-15 biennium, while delivering the approved Programme of Work;

   b) USD 5 million reallocated in the PWB 2016-17 from the Capital Expenditure Facility to high-priority technical areas of work, arising from less costly investment in information technology infrastructure and systems.

47. The approach taken is framed by the overarching principle of minimizing the impact on decentralized offices and the technical departments of the Organization. The savings have been found mainly in staff costs and in the administrative units, resulting in the abolition of 235 posts over the two biennia.6

48. As set out in the Adjustments to the PWB 2016-17 in December 2015,7 the Director-General has pursued further efficiencies and savings in administrative services in the current biennium relating to: translation, printing and distribution through external contracts, while respecting Members’ expectations for timely dispatch of documentation in the languages of the Organization; and transaction processing in the Shared Services Centre.

49. The measures taken have resulted in a net reduction of 46 administrative positions as follows: 23 positions in the Shared Services Centre (CSS) in Budapest; 18 positions in the Conference, Council and Protocol Affairs Division (CPA) in Rome; and 5 positions in the Corporate Services Department (CS) in Rome. All of these positions are vacant, and the net savings are USD 4.5 million on a biennial basis.

50. The savings in CSS arise from two sets of measures implemented during 2016 to ensure service excellence and short response times: i) establish of a core team with the essential skills and knowledge to preserve and support operation of the Shared Services Centre that is resilient to staff turnover; and ii) simplify, standardize and automate administrative processes, including the use of self-service tools, to reduce manual effort.

51. The savings in CPA arise from measures to outsource internal printing and distribution of documents and to streamline translation services. The savings in CS Department arise from further streamlining of services in finance and administration.

52. As noted in Section I.A above, a part of the administrative savings will be used to urgently consolidate FAO’s programme management arrangements to elevate and strengthen work on climate change, SDGs and statistics. The bulk of the savings will be used to strengthen capacity in technical areas during the course of the year 2017, taking account of the needs of the SPLs and technical departments to deliver planned results in the PWB, also building on the independent assessment of technical capacity of the Organization.

53. Technical areas under consideration so far have been set out in documents JM 2016.2/2 and FC 164/7 and include: agroecology, agroforestry, antimicrobial resistance, climate change, employment economics, fisheries, geospatial information systems, governance and political economy, policy analysis, social protection, soil science, statistics, SDGs, investment, partnerships and South-South Cooperation, and programme coordination, monitoring and evaluation.

54. The conversion of the administrative positions to technical positions, as well other measures to strengthen technical capacity and further efficiency savings, will be reflected in the PWB 2018-19.

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7 CL 153/3 paragraph 15