Questions and Answers

Q.1 Having in place an Organigramme and a management structure that avoids silos and promotes working jointly in a cross-sectoral and global manner is welcome. Could you provide more information on the reporting lines of this proposed structure?

1. The proposed structure is designed to create cooperation, both within FAO and by building up its comparative advantages to work with other organizations outside of FAO. It moves away from a traditional pyramid structure and embraces a flatter, more modular approach.

2. In the proposed Organizational structure, the layer of department is removed. The accountability of the Heads of units (Offices, Centres and Divisions) is increased, and each Head reports directly to either a Deputy Director-General (DDG), the Chief Economist or the Chief Scientist. The Director-General will establish the specific reporting line of each Head of unit to a DDG, Chief Economist or Chief Scientist taking into consideration the background, skills, and knowledge of the individuals in the leadership team and after internal consultations.

3. The three DDGs, the Chief Economist, and the Chief Scientist would function as a unified leadership team working jointly in a cross-sectoral and global manner, supporting the Director-General in all areas of the Organization’s mandate. As outlined above, each DDG and Chief is accountable for overseeing specific units. In addition, each has defined alternate oversight responsibility for a number of units for which they are not the lead, but provide support and replace when needed the primary person of the leadership team responsible, including when the primary person is out-of-office. In addition to these specific responsibilities within the proposed Organizational structure, they will also have responsibility for specific areas that require overall corporate leadership, for example emergencies or big data.

4. As the layer of department has been removed from the proposed structure, the Assistant Directors-General would no longer be heading departments and instead would focus on specific assignments given by the Director-General in key areas of the Organization’s mandate, in support of, and overseen by the DDGs and Chiefs. The focus of the ADGs would be more on supporting high-level, strategic and visible external activities of key importance and less on internal management issues.

5. The Regional Representatives would continue to report to the DDG responsible for the decentralized offices, and Subregional Coordinators and FAO Representatives continue to report to the respective Regional Representative.

6. With this approach the DDGs, Chiefs, ADGs, Director Level (D2) and D1, Regional Representatives, Subregional Coordinators, and FAO Representatives are fully accountable and with clear reporting lines. The Organization is committed to ensuring the highest level of responsibility and accountability from these leaders, with tasks and organizational priorities and functions well structured and communicated.

7. Following Council-approval of the proposed structure, the reporting lines of the Heads of Offices, Centres and Divisions to the DDGs/Chiefs will be clearly communicated to all FAO staff to ensure transparency and to maintain accountability. The assignments of the ADGs will also be communicated internally. The detailed reporting lines and the ADG assignments will also be shared with Members, for information purposes.

1 With the exception of the six Offices that report directly to the Director-General (Evaluation; Inspector-General; Ombudsman; Legal; Strategy, Planning and Resources Management; and Ethics)
8. The Director-General may at times make changes to the reporting lines, depending for example on staffing changes or evolving strategic priorities and volume of work, to ensure that the Organization takes full advantage of the specific skills brought by the leadership team members, or to respond quickly to new or emerging priorities. The model with a primary lead and alternate will facilitate this process. Such changes will always be communicated transparently to all concerned.

**Q.2 How would the disbanding of the Strategic Programme Management teams affect the work under the Strategic Objectives?**

9. The role of the Strategic Programme (SP) Management teams was important in the early years of the implementation of FAO’s Strategic Framework to support broad thinking and organization of work around the Strategic Objectives and the SDGs. The matrix management structure that this model required, however, carried with it a relatively heavy transaction cost. The disbanding of the Strategic Programme Management teams is in line with the overall direction of moving to more modular, thematic and programmatic ways of working, avoiding siloes and minimizing transaction costs and internal bureaucracy. For the remainder of 2020-21, the established work plans under the Strategic Objectives will continue to be implemented through modular, multidisciplinary programme teams of staff from across the Organization.

10. The disbanding of the SP Management teams also allows for the reinforcement of the technical divisions, as seconded staff would return to their originating divisions. It would also allow to address some of the issues raised by the recent evaluation of FAO’s strategic results framework, including putting in place a more streamlined approach of operational verification tasks that were undertaken by the Strategic Programme Management teams.

11. Other Offices would take on some of the tasks previously handled by the SP teams. For example, the new Office of SDGs would coordinate the corporate engagement in the 2030 Agenda follow-up and review, working closely with concerned units across the Organization. OSP would put in place new monitoring and reporting methodologies, ensuring that these evolve in line with new approaches being developed and proposed for the new Strategic Framework and the Medium Term Plan (MTP) 2022-25.

**Q.3 How would the work undertaken by the Office of the Support to Decentralization (OSD) be handled if this Office is no longer part of the Organigramme?**

12. The Office of the Support to Decentralization (OSD) is proposed to be disbanded, with the various tasks that OSD currently performs moving directly to the units that house the specific expertise. This is to ensure that the various functions are streamlined and carried out in an efficient and effective manner, under a “one-FAO” approach. This would also remove a management layer between heads of decentralized offices and relevant units hosting the expertise, and is in line with the wish to continue to empower regional offices for overseeing the work of country offices.

13. The shifts of tasks from OSD to other units include the following:
   a) FAOR recruitment to the Human Resources Division
   b) coordination of country briefs to the Cabinet
   c) FAOR budget management to the Office of Strategy, Planning and Resources Management
   d) coordination of the UN Development System repositioning to the Partnerships and UN Collaboration Division
   e) support and backstopping of Regional Conferences to the Governing Bodies Servicing Division
   f) overall coordination, knowledge management and oversight of decentralized offices to the office of the relevant DDG.

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2 PC 127/2 Evaluation of FAO’s Strategic Results Framework
14. This connectivity to other units across the Organization will provide for even further integration and cohesiveness of various regional, subregional and country initiatives to corporate planning and activities.

**Q.4 What is the relationship between the Programme of Work and Budget 2020-21 (including these Further Adjustments) and the new Strategic Framework?**

15. The PWB 2020-21 reflects the programme of work for the second biennium of the Medium Term Plan 2018-21. The MTP sets out the Strategic Objectives (SOs) and Outcomes for achievement by Members and the international community with support from FAO, in accordance with the reviewed Strategic Framework approved by Conference in July 2017.  

16. The PWB presents the programmatic priorities and results frameworks established in accordance with the Medium Term Plan 2018-21 (reviewed), and a quantification of costs and resource requirements from assessed and voluntary contributions to fund the Programme of Work. The Adjustments to the PWB 2020-21, endorsed by Council in December 2019, and the Further Adjustments to the PWB 2020-21, reflect guidance from the governing bodies, as well as the vision of the new Director-General to implement the biennial programme of work in the most efficient and effective manner.

17. FAO’s Strategic Framework is prepared for a period of ten to fifteen years, reviewed every four years. The new Strategic Framework, which will be presented to the governing bodies at their first Sessions in 2021, forms the basis for the next MTP and PWB, i.e. the MTP 2022-25 and PWB 2022-23. The new Strategic Framework will articulate FAO’s vision of a sustainable and food secure world for all, in the context of the Agenda 2030 for Sustainable Development and will take forward the Director-General’s vision of building a dynamic and strengthened FAO for a better world and to support Members achieve the Sustainable Development Goals (SDGs).

**Q.5 Please provide some further information on the new Food Systems and Food Safety division (ESF) and its relationship to Codex Food Standards in the Joint FAO/WHO Centre (CJW).**

18. The Food Systems and Food Safety Division (ESF) would integrate and extend food systems support across the Organization by bringing together FAO’s longstanding experience and capacities in strengthening systems of food safety and quality control with its technical support to countries in the areas of value chain development and investment, agroindustry and agribusiness enterprise development. The merging of the two allows FAO to more effectively help ensure that food systems are geared towards the production of food that is safe, and healthy while also raising the visibility of the work on food safety by bringing it more centrally into the support provided to Members on food systems transformation. The higher visibility of food safety is already evidenced by the current formulation of the first action track of the Food Systems Summit for “safe and nutritious food for all”.

19. Within the new approach, ESF will interact with all other Divisions embodying a true systems approach. For example, in the case of the Nutrition Division, the specialized staff on nutrition and food systems will remain in the division but will be integrated through the programmatic work with ESF given that nutrition is one very important layer of the systems approach.

20. The Codex Alimentarius Commission is housed in the Joint FAO/WHO Centre (CJW). The ESF division will continue to deliver food safety risk assessments (through joint FAO/WHO Expert Bodies) to Codex Alimentarius. The new structure allows FAO to better implement the separation of food safety risk assessment (scientific advice), and risk management (Codex Alimentarius) in accordance with the globally accepted risk analysis model, which requires organizations to ensure the strict separation of the science-based work of the food safety risk assessment from the more politically motivated standard setting activity of the Codex Alimentarius Commission. The new structure will ensure that both functions, Codex Alimentarius Secretariat and the food safety risk assessment activities, can work fully independently, yet with effective interactions between risk managers and risk assessors.

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3 C 2017/REP paragraph 72 g).
4 cf. PC 128/2 *Provisional outline of the New Strategic Framework*
Q.6 Please provide some further information on the recent work of the FAO Investment Centre and how the proposed net appropriation increase of USD 8 million would be leveraged.

21. FAO Investment Centre provides comprehensive support to public and private investments in food and agriculture, and promotes enabling policies, capacity development, and innovation, knowledge and learning.

22. Achieving the goals of the Agenda 2030 including for SDGs 1 and 2 will require a major increase of public and private investment. The FAO Investment Centre working with IFIs\(^5\) under a model partnership arrangement, is currently assisting countries to programme and access close to USD 6 billion per year of investment in food and agriculture. With the current level of net appropriation resources, the Centre has reached its limit in terms of developing existing and new partnerships. Enhancing its capacities, could assist in increasing the volume of good investment into agriculture and food systems in countries.

23. The Investment Centre’s annual budget on average for the period of 2017-2019 was USD 33.7 million, funded up to 42% (USD 14.2 million per year) from FAO net appropriation resources and 58% (USD 19.4 million) from external and internal income.

24. The income is generated from work with cooperating partners (IFIs) and from work under Trust Fund (TF) and Technical Cooperation Programme (TCP) projects with other FAO Divisions and decentralized offices. The average annual income by IFI partner is the following: World Bank (USD 13.3 million), IFAD (USD 2 million), EBRD (USD 2.9 million), and other, including Regional Development Banks (USD 1.2 million).

25. The proposed increase of net appropriation funding of the Investment Centre of \(\text{USD 8 million}\) per biennium would match additional funds from IFIs and other partners of a minimum of USD 8 million per biennium, and this joint funding would be leveraged to expand investment support services. Based upon recent experiences, an additional USD 16 million per biennium would result in approximately USD 800 million\(^8\) more in food and agriculture investments. With the additional proposed net appropriation resources, the objective is to expand the work with other IFIs. Specifically, negotiations are currently underway with the Inter-American Development Bank (IDB) Corporation to start a process similar to the one of the World Bank. A Memorandum of Understanding (MoU) is expected to be signed with the Asian Infrastructure Investment Bank (AIIB) by early Autumn; and a new MoU was signed with the African Development Bank AfDB at the end of 2018 aimed at creating a facility to collaborate more systematically.

26. In 2019, the FAO Investment Centre supported the design of 32 public investment projects for a total investment value of USD 5.7 billion in 26 countries, financed by IFIs. It also provided technical support to the implementation of a large portfolio of ongoing investment programmes in more than a hundred countries. The major partner IFIs include the World Bank, IFAD, European Bank for Reconstruction and Development (EBRD), the Green Climate Fund (GCF) and Global Agriculture and Food Security Programme (GAFSP) along with regional banks such as the Inter-American Development Bank (IDB), the Caribbean Development Bank (CDB), the African Development Bank (AfDB), and the Central American Bank for Economic Integration (CABEI).

27. In terms of policy support, the FAO Investment Centre’s delivered 13 food and agriculture strategies, 9 policy studies and 27 sector studies, and facilitated 13 public-private policy dialogues and events. Much of this work is undertaken with EBRD and contributes to increasing private sector investment whilst the remaining work, with the World Bank and IFAD, serves to support national agricultural investment plans and country strategies (e.g. National Agriculture Investment Plans, under CAADP\(^7\) with the World Bank and COSOPS\(^8\) with IFAD).

28. The same period, has seen an increase in support to private investment and blended finance through existing partnerships with the World Bank, IFAD and EBRD. This work aims to tap

\(^5\) International Financial Institutions (IFIs)

\(^6\) Conservative estimate (could be almost double)

\(^7\) Comprehensive Africa Agriculture Development Programme (CAADP)

\(^8\) Country strategic opportunities programme (COSOP)
underutilized private finance to increase responsible agricultural investments, to strengthen agricultural value chains and to promote financial inclusion. For example, with EBRD, the Centre carried out 12 technical assistance assignments to support value chain development in 2019.

29. Furthermore, in 2019, FAO has also developed new bilateral arrangements with the European Union to boost blended finance instruments through two initiatives. In the first, AgrIntel, the Centre provides advisory services to the EU’s private sector window for small and medium enterprises. So far, the advisory team have assessed 71 investment proposals from three impact funds applying for EU financing for a cumulative investment value of USD 350 million. The second, AgrInvest, (GCP, USD 2.2 million) is providing technical and advisory services to the Ugandan Development Bank to increase their lending portfolio to private food and agriculture enterprises.

Q.7 Why is there no further increase in the budget for the Office of the Inspector General (OIG) proposed, given the importance of its adequate funding?

30. In the Adjustments to the PWB 2020-21 (CL 163/3) an additional USD 400 000 (equivalent to one P-4 post) was provided to OIG to strengthen investigations. These additional funds brought the base budget of OIG up to the level of actual expenditure in 2018-19.

31. In 2020-21, expenditure for investigations is expected to be higher than in 2018-19, due to an increasing number of complaints and resulting open caseload. At this time, OIG expects to cover requirements for 2020 from within its existing allotment due to vacant posts and due to COVID-19 related workplan adjustments (suspension of all audit and investigation travel), but additional funds are likely to be required for 2021. Resource mitigation measures will be identified as necessary through identifying savings elsewhere, to ensure that OIG can carry out its mandate. Any such adjustments will be reported to the Finance Committee as part of the Annual Reports on Budgetary Performance and Programme and Budget Transfers, as was done in the 2018-19 biennium.

32. This approach was also discussed with the Audit Committee in February 2020, which “welcomes measures discussed with OSP and OIG to mitigate the potential shortfall in budgeted resources especially in the areas of investigation while continuing to monitor the issue”.9

9 FC 180/9 Executive Summary and paragraph 57