

## **Towards a Vision for the structure and functioning of the Decentralized Offices (DOs) Network**

### **I. Medium- to Long-term Vision Related to the Structure and Functioning of the Decentralized Offices (DOs) Network**

1. IPA action 3.84 requested Management to conduct a review of FAO's Country Offices network on the basis of eight specific criteria. The objective was to ensure that, at a minimum, the structural budgetary deficit for the network is eliminated through alternate forms of country presence. The analysis of the criteria carried out by Management was discussed at four meetings of the CoC-IEE Working Groups in 2009, but consensus could not be reached on this subject. In the meantime, Management proposed steps to address the structural budgetary deficit which were presented in the 2009 report of the CoC-IEE and adopted in the PWB 2010-11. These measures comprised the abolition of the Lapse Factor for the network, and interim measures such as appointing Emergency Coordinators as Officers-in-Charge of FAO Representations (FAORs) and placing current FAO Representatives (FAOREps) against vacant posts in the Regional and Subregional Offices, as well as outposting Regional and Subregional Technical Officers to serve additionally as FAOREps. The report of the CoC-IEE, endorsed by the Conference in November 2009, also requested Management to prepare a medium to long-term vision related to the structure and functioning of the DOs network, taking account of the IPA actions on decentralization. It was decided that the vision be presented for discussion by the FAO Regional Conferences. After receiving inputs from the Regional Conferences, Management will formulate and present proposals to the relevant Governing Bodies for review and decision. The whole process will take place with the active participation and guidance of the CoC-IEE.
2. In line with these decisions, two documents were prepared for the Regional Conferences.<sup>1</sup> The first document "*Matters arising from the World Summit on Food Security and the 36th Session of the FAO Conference, notably implementation of the Immediate Plan of Action (IPA), including the Decentralized Offices Network*" provides information, *inter alia*, on the impact of the implementation of the IPA on the DOs network (see particularly paragraphs 29-34). The second document "*Towards a New Vision for the Decentralized Offices Network*" provides, in the context of the developments related to decentralization in recent years, an overall vision for decentralization together with some guiding principles and essential elements for the structure and functioning of the DOs network. To provide consistency, some background information on past decentralization initiatives is included in the document in an attempt to help better understand the context in which changes are taking place.
3. The two documents have been discussed by Members at four Regional Conferences so far – the Regional Conference for Latin America and the Caribbean, Panama City, Panama, 26-30 April 2010; the Regional Conference for Africa, Luanda, Angola, 3-7 May 2010; the Regional Conference for Europe, Yerevan, Armenia, 13-14 May 2010; and the Regional Conference for Asia and the Pacific, Gyeongju, Republic of Korea, 26 September-1 October 2010. These documents will also be submitted to the Regional Conference for the Near East, scheduled for 4-8 December 2010, Khartoum, Sudan.

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<sup>1</sup> These two documents were provided to the CoC-IEE at its meeting of 23 June 2010.

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4. The four Regional Conferences, held to date in 2010, provided their views on some of the key aspects of the structure and functioning of the DOs network, including on the vision, the type and extent of country presence and the relations between the different tiers of the network. Relevant extracts from the Reports of these four Regional Conferences are reproduced in Table 1 below.
5. The CoC-IEE may wish to provide its comments on the vision for decentralization, particularly in the context of the latest developments and progress made in IPA implementation, as well as the views expressed by the four Regional Conferences, considering that one more Regional Conference is still to discuss this matter.

## **II. Establishment of one global Shared Services Centre**

6. The 137<sup>th</sup> session of the FAO Council took note of the planned review of the Shared Services Centre (SSC) for possible creation of one global SSC hub, referred to in the PWB 2010-11. It stressed that any decision on closing the SSC hubs in Santiago and Bangkok should be transparent, preceded by in-depth analysis, including consultations with the Regional Conferences and Finance Committee. Therefore, the four Regional Conferences held to date also discussed a document on "*Establishment of one global Shared Services Centre*"<sup>2</sup>. Relevant extracts from the Reports of the four Regional Conferences are also contained in Table 1. The document on the SSC will also be submitted to the other Regional Conference to be held later this year.
7. The CoC-IEE may wish to take note of the views expressed by the four Regional Conferences on the establishment of one global SSC and provide comments on this matter.

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<sup>2</sup> This document was provided to the CoC-IEE at its meeting of 23 June 2010.

**Table 1: Extracts from the Reports of the Four Regional Conferences Related to Decentralization and the Establishment of a Global Shared Services Centre**

<b>Regional Conference for Latin America and the Caribbean</b>	<b>Regional Conference for Africa</b>	<b>Regional Conference for Europe</b>	<b>Regional Conference for Asia and the Pacific</b>
<b>1. Overall Assessment of Decentralization</b>			
➤ Agreed with the IPA actions related to decentralization.	➤ Endorsed the vision, as well as the proposals on structure and functioning, contained in the addendum to document ARC/10/2.	➤ Expressed its full support for the implementation of the IPA to enhance the efficiency of the Decentralized Offices network.	<p>➤ Welcomed progress made in the implementation of IPA, particularly those having an impact on decentralization.</p> <p>➤ In the context of the Regional Priority Framework (2010-2019), while welcoming the initial steps agreed to under the decentralization process in FAO, the Conference recognized that more remains to be done with respect to the commensurate delegation of authority and allocation of resources and urged FAO to advance the process accordingly.</p>
<b>2. Country Coverage</b>			
<p>➤ Drew attention to the possible consequences of indiscriminate application of the eight streamlining criteria set out in Action 3.84. In this regard, it recalled that a theoretical exercise involving the possible application of five of these eight criteria had produced the alarming result that 94 percent of FAO country offices be eliminated.</p> <p>➤ Emphasized the importance of maintaining FAO's presence in all</p>	<p>➤ Expressed the view that the criteria on country coverage provided in the IPA were theoretically good but not practical, particularly in the case of Africa.</p> <p>➤ The measures introduced by management were an effective way to address the structural deficit in the FAOR network budget.</p> <p>➤ Recommended that the special needs of Africa be kept in mind and that a strong network of country offices,</p>	➤ Requested the secretariat to provide further background documentation on decentralization, including a detailed inventory of the present structure, staffing and funding of the Decentralized Offices and to give serious consideration to fully fledged presence in some of the countries in the region, especially in the Central Asia subregion, while reinforcing its country presence in some others through the nomination of Assistant	➤ The delegation from Timor-Leste requested the establishment of a full-fledged FAO country office in its capital.

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<p>the countries of the region and of reinforcing the professional teams and technical capacities of the Regional Office and the Subregional Offices.</p> <ul style="list-style-type: none"> <li>➤ Stressed that the criteria of cost reduction and administrative efficiency, as narrowly interpreted, were clearly insufficient to guide decisions on the decentralization process.</li> <li>➤ Stressed that decisions on the decentralization process also needed to take into account the contributions of Governments for the functioning of national, subregional and regional offices.</li> <li>➤ Stated that before taking decisions on the decentralization process based exclusively on the criteria of cost reduction and savings, the actual performance of the decentralized offices needed to be assessed, for which the requirements deriving from their new role needed to be satisfied.</li> <li>➤ Urged that the streamlining process consider all elements relevant to the Organization's objectives, beyond mere consideration of reduced cost. Considered it vital that there be better formulation and clarification of the</li> </ul>	<p>which was essential to meet these needs, be provided.</p> <ul style="list-style-type: none"> <li>➤ Multiple accreditation for country offices would not be suitable for African countries which had urgent and pressing needs for help and support.</li> <li>➤ FAO should maintain and possibly increase the number of country offices in the Region.</li> <li>➤ Decentralized Offices should be strengthened through both financial and technical resources and there should be better training for staff in these offices.</li> <li>➤ The criteria for selection and appointment to FAOR positions should be revised periodically based on the evolving needs of the countries.</li> <li>➤ In order to avoid FAO Representative positions being vacant for prolonged periods, there should be a time limit for Member countries to provide feedback on proposed appointments made by the Director-General.</li> </ul>	<p>FAO Representatives.</p>	

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<p>flexibility approach to determining the size and composition of the decentralized offices and spoke out in defence of FAO's presence in countries, whenever necessary and requested by the Government in question.</p> <p>➤ Considered relevant a more in-depth appraisal of the option of sharing offices with other programmes and agencies, stressing that this option should not affect the Organization's mandate nor the programmes approved by its Governing Bodies.</p>			
<b>3. Structure and Functioning of the Decentralized Offices Network</b>			
<p>➤ The Regional Conference understands that the Subregional Office for Central America will include Mexico and will become the Subregional Office for Mesoamerica; and that Cuba and Dominican Republic will participate in the meetings of this Subregion when they consider appropriate. The Regional Conference also understands that the Regional Office in Santiago, Chile, will only have one multidisciplinary team which will incorporate the multidisciplinary team for South America. The functions of the Deputy Regional Representative will</p>	-	<p>➤ Suggested to give due consideration to merging the two offices (REU and SEU) in Budapest to enhance efficiency and savings.</p>	<p>➤ Noted the broad outline of the future vision on decentralization and requested FAO to take into account, in further elaborating the vision, additional measures to further increase efficiency and productivity:</p> <p>i) further strengthening of the technical capacity of the decentralized offices and, in particular, to ensure provision of adequate technical support to country offices; ii) enhancing the capacity of the decentralized offices to provide timely response to emergencies and disasters and address investment issues; iii) implementing staff</p>

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be revised – the only additional responsibility will be that of the FAO Representative in Chile.			mobility and rotation policies; and iv) developing a decentralized offices network with effective linkages within the Organization, as well as with the concerned governments, other UN system organizations and development partners. ➤ Stressed the importance of maintaining effective linkages between decentralized offices and headquarters staff.
<b>4. Other Decentralization Matters</b>			
➤ Took note of the proposal made that the plenary meetings of the Latin American and the Caribbean Group (GRULAC) have the possibility to establish direct contacts with the Regional Representative and the Subregional Representatives, through videoconferencing or other appropriate mechanisms, when deemed convenient by the presidency of GRULAC.	➤ Recommended that the relationship between Permanent Representatives of African countries at the FAO in Rome and the Regional Offices be strengthened.	-	➤ Supported the view that the Regional Office for Asia and the Pacific should be strengthened in such a manner as to ensure that the financial and human resources provided for the office would be comparable to those committed for other regions that have newly established subregional offices. Requested that such additional human and financial resources should be provided and progress in this matter reported at the thirty-seventh FAO Conference in June 2011.
<b>5. Establishment of one global Shared Services Centre</b>			
➤ Considered that the process of evaluation of changes in the shared services centres (SSCs) required further reflection and the	➤ Requested the carrying out of proper in-depth evaluation of the proposal of a global SSC, including for sustainability, and eventual	➤ Considered that the establishment of the SSC had been a great success, as it had improved the efficiency of the Organization and the quality of the	➤ Was concerned that findings of the in-depth study were not yet available and requested that they be provided, in full, to the Finance Committee,

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<p>incorporation of criteria additional to cost-related factors. In particular, the services currently provided by SSC Hub in Santiago showed good results in terms of competency profile of the existing team, languages, local knowledge and time differences.</p>	<p>endorsement by the Finance Committee and the Council, for inclusion in the next Programme of Work and Budget.</p>	<p>services provided, making the best use of FAO's resources. Urged the secretariat to review the Bangkok and Santiago hubs and the possibility of merging them into one global SSC in Budapest. The representative of Hungary assured the Regional Conference that the Government of Hungary would provide its full support to a global SSC hub, should it be established in Budapest.</p>	<p>and to all member countries.</p> <ul style="list-style-type: none"> <li>➤ Appreciated the quality of services provided by the SSC hub in Bangkok and expressed concern about the ability of a centralized SSC in Budapest to provide adequate services to the field programme activities in the region.</li> <li>➤ Delegates expressed a preference to maintain the SSC hub in Bangkok.</li> <li>➤ Urged that the analysis of the SSC structure and functions be carried out in a deliberate manner and include criteria related to quality and effectiveness of services delivered, striking a balance with possible long-term cost savings.</li> </ul>