Food and Agriculture Organization of the United Nations

ODG Review

Final Report – Executive Summary

March 19th, 2010

Executive summary

Background

1. The Office of the Director General (ODG) is a crucial function within the overall FAO organization. The several reviews of the organization conducted between 2006 and 2009 have revealed that the interaction between this function and the other administrative and corporate support functions contributes to a protracted process which - according to the collected feedback within FAO - hinders the ODG from playing its role in the most effective and strategic manner and poses the need to redefine some of the roles and procedures currently in use within the administrative operations.

2. The ODG review had three main objectives: a) the reduction of involvement of the ODG and especially the Cabinet in administrative activities, b) the definition of clear roles and responsibilities for the two DDGs, the Cabinet and the ADG Corporate Services, c) the identification of measures and actions to be taken along with a comprehensive roadmap.

Main Findings and Recommendations

ODG structure and posts

3. There seems to be confusion within FAO on what the ODG is and its composition. In fact many use the word ODG and Cabinet interchangeably. In reality up until the end of 2009, ODG consisted of the DG and his Immediate Office, the Cabinet, the Registry, the Administrative Support Unit (ODGX), the Office of the DDG and the Strategic Planning Unit (ODGS) – the latter dealing with partnerships with the private sector. As of 2010, the ODG includes only the DG and the Immediate Office, the Cabinet, the Registry and ODGX. As shown in the table below, the budgeted posts count has gone down from 35 posts in ODG up to the end of 2009 to 24 posts as of 2010. Outside the ODG there are now two DDG Offices, while the ODGS has merged with the Office of UN Coordination and MDG Follow-up (UNC) and the Communication Division (KCI) to form the Office of External Communication (OCE). The 24 posts in ODG from 2010 compares with 27 posts for the same units up to 2009, as staffing reductions were anticipated ahead of the finalisation of this review.

Table A: ODG posts and structure

ODG Structure		
Function/Office	**PWB 2008-09 Budgeted Posts**	**PWB 2010-11 Proposal**
1. Immediate Office		
Director General	1	1
Professional	3	2
General Service	2	2
Total	*6*	*5*
2. Cabinet		
Director Level and Above	2	2
Professional	5	4
General Service	6	6
Total	*13*	*12*
3. Registry		
General Service	5	4
Total	*5*	*4*
4. ODGX (Administrative Support Unit)		
Professional	1	1
General Service	2	2
Total	**3**	**3**
Subtotal 1 - 4	*27*	*24*
5. DDG		
Director Level and Above	1	
Professional	1	
General Service	2	
Total	*4*	
6. ODGS (Strategic Planning Unit)		
Director Level and Above	1	
Professional	1	
General Service	2	
Total	**4**	
Subtotal 5-6	*8*	
Grand Total	*35*	

ODG involvement in Administrative Activities

4. The ODG review identified approximately 100 administrative activities which are currently managed with the involvement of the ODG. Some of these activities are important ones for the smooth operation of the FAO internal processes while others are more trivial. Approximately 50% of administrative activities identified as requiring the involvement of the ODG fell into the categories of Communication and Human Resources.

5. Part of the study has been to review all the administrative activities which required involvement of ODG, notably those involving the Cabinet, and to propose re-allocations of roles and responsibilities. New decision-making maps for most of the administrative activities under consideration were proposed and discussed with the relevant players. As a result of this interactive approach a number of new proposed processes have already been agreed upon within FAO and have been implemented during the course of this review since July 2009 or will be implemented quite soon ("To Be"). A small number of further proposed changes are considered desirable by E&Y, but these require more time for their implementation ("To Be long term").

6. The overall results of the review related to the 100 identified administrative activities can be summarized as a reduction of steps needed to reach a decision and, consequently, a reduction in effort and an improvement of the speed of the elaboration of administrative tasks. This improvement ranges from a minimum 38% to up to 50% if the implementation of more radical changes proposed by E&Y for the longer-term ("To Be Long-term") is included. Substantial improvements (between 2 and 4 steps eliminated in the decisional process) have been defined in 17% to 25% of the cases. The Cabinet involvement in the administrative activities has been reduced in approximately 46% of the cases. In addition, overall transparency regarding the way decisions take place within the ODG has been achieved to the benefit of all the players. It must be underlined that in order to better allocate and rationalize the decision-making steps, there were also modifications that in about 10% of the cases led to an increase of the number of steps foreseen in the decision-making process, to take into account also the new apex structure of two DDGs.

7.   In reviewing these administrative activities and re-defining the steps of the decisional process, four guiding principles were applied:

1. *The principle of subsidiarity:* delegation in the performance of a task to the lowest possible level;
2. *The principle of performance accountability:* defining the person/function responsible to the Director-General for the activity and its outcome;
3. *The principle of consultation:* possibility of consulting others while still retaining full responsibility for the decision-making;
4. *The principle of collegiality:* the need for a collaborative relationship among different parts of the organization in order to prevent a silos approach

A list of administrative activities no longer requiring Cabinet involvement is reported hereafter.

Table B: Administrative activities no longer requiring Cabinet involvement

Area	Administrative activities revised
Committee	• Review of the FAO investment Committee minutes • Review of the FAO Advisory Committee on investment minutes and proposals • Review of proposals for the appointment of Chairperson, Secretary and members of the FAO Investment Committee • Appointment of Chairperson and/or members or Secretary for: a) Working group on professional remuneration and allowances, b) Advisory Committee on external training, c) FAO/WFP staff pensions committee, d) Joint commissary committee, e) Joint Committee on food services, f) Advisory Committee on occupational health & safety • Review of Committee report and actions upon recommendations for: a) Working group on professional remuneration and allowances, b) Advisory Committee on external training, c) Joint commissary committee, d) Consultative committee on art donations, e) Joint Committee on food services, f) Advisory Committee on occupational health & safety • Review of IS/IT committees reports
Communication	• Release of Director general bulletins • Release of Administrative circulars • Release of new and amended Administrative Manual Sections • Release of staff rules (after underlying policy has been endorsed by DG) • Release of policies (after underlying policy has been endorsed by DG) • Review of reports of ADG's duty travel • Review of summary notes of Conference and Council Committees • Clearance for briefing/presentations • Issues related to host country agreements • Clearance for Officers responsible for Conference & Council sessions, High level meetings • Review of Key Governing Body documentation • Request to organize charitable initiatives on the premises

Area	Administrative activities revised
Finance	• Monthly budgeting report • Authorization to write-off over 5,000 USD (ADG, CS to consult DG for write-offs in excess of USD 20 000) • Periodic report of department expenditures made on behalf of the ODG • Approval of payments from staff welfare funds (SWF) to staff coop • Request to organize inter agency games and payments from SWF for IAG • Approval of FAO biennial accounts • Changes to Statutes of the Credit Union • Review of external audit long form report and related formal reply to External Auditor
HR	• Publication of VA (press ads) in external media • Changes to Delegation of Authority • Appointment of GSSSC membership • Waiver requests for retirees for a six months break after retirement • Authorization for the first time an ex-staff member D1 and above is re-hired
IT	• Clearance of pocket directory and telephone directory
Meeting	• Establishment and abolition of Inter-departmental Working Groups • Preparation of the Regional Conference (substantive matters to be handled by DDGs to the extent possible) • Decision on the Secretariat composition of the Regional Conference • Authorization to host non-FAO meetings
Procurement	• Renting of premises for FAO Representations • Review of concessionaire contracts • Review of Letters of Agreements
Travel	• Approval of technical staff attending the Regional Conference • Travel of Regional ADGs

Executive Leadership Team

8. As recommended by the RBR and by the CoC-IEE report, there should be an Executive Leadership Team (ELT) supporting the DG. The ELT has started to function as of January 2010 and meets regularly. It is chaired by the DG and comprises the two DDGs and the Head of Cabinet. One of its main objectives is to support the DG in the strategic management and coordination of the organization's activities at corporate level.

9. The ELT should hold regular meetings (once a week) as well as *ad hoc* meetings for critical or urgent issues. In the case of an ELT member's absence from headquarters, the ELT should meet, under the chairmanship of the DG, via video-conference or tele-conference.

10. The existing SMM meetings, involving the ADGs and chaired by the DG, should remain in place. They represent an excellent way to break silos and create a collaborative work-environment by enabling information-sharing and feedback from the different parts of the organization. In the DG's absence, SMMs would be chaired by the most senior officer in charge.

11. Since the ELT promises to be a key mechanism for the strategic management and coordination of the organization, we emphasize the importance of an appraisal and review of the experience of the leadership team meetings by the ELT after 6-12 months. This will help refine the scope of its work, and also allow the ELT to consider improvements in the nature of interactions between the ELT and SMM.

Senior Management Reporting lines

12. Going forward, it will be critical to define an adequate modus operandi at the top of the FAO organization to ensure the best use of competencies and experiences of FAO senior management, fast decision-making and prompt management of issues and crisis situations. With this in mind, the description of three different approaches (scenarios) of structuring the relationship at the Apex of the organization between the DG, the two DDGs and the ADGs has been reported together with an explanation of the major advantages and disadvantages of each scenario.

13. We recognize that under the FAO Constitution, the DG has the full power and authority to direct the work of the Organization subject to the general supervision of the Conference and Council, and that the staff of the Organization shall be responsible to the DG. It follows that the senior staff of the Organization (i.e. ADGs and DDGs) should be directly accountable to the DG for the performance of their functions.

14. From our assessment, it therefore seems that the most advantageous scenario will be the one which allows the DG to be relieved of the need to exercise daily supervision of the ADGs, while also permitting the respective DDGs to coordinate the work of the sectors for which they are responsible without formally adding another hierarchical layer to the FAO structure for all functions performed by ADGs.

15. Accordingly, the preferred reporting scenario is one where the ADGs will have a direct reporting line to the relevant DDG, to exercise daily supervision, and a dotted reporting line to the DG, to whom the ADGs are accountable for their performance.

16. We recommend that the DDGs will therefore supervise the ADGs with the aim of achieving programme integration and ensuring coordination and coherence in the execution of activities that require collaboration across departments. ADGs would continue to be accountable to the DG on major initiatives in their sub-sector and could report directly to the DG on matters where it is agreed that an additional layer is too bureaucratic. The DG would have direct responsibility for the recruitment of ADGs and would be responsible for their performance appraisals, with input from the respective DDG. In addition, the DG would engage with and communicate directly with the ADGs, including via the SMM meetings.

Internal Advisory Committees

17. A particular consideration has been given to the work of the internal advisory committees within FAO. In general, committees can positively influence corporate ownership and participative decision-making within an organization. However, the risk exists that internal committees take

away from individual responsibility for decision-making and thus, reduce the accountability of staff. Within FAO, internal committees have become a burden and a risk for the decision-making process due to their sheer number. This comment has already been captured by the IEE report and later mentioned by the RBR report, which was invoking the necessity of streamlining the number of advisory committees in the administrative area. In particular, we want to mention at least two areas which have merited a close review: the IT committees and the HR committees.

18. During the ODG review, we noticed that there are currently 24 advisory committees operating in the area of "Corporate Services", 10 of which are pertinent to IT. In the Root and Branch Review, E&Y made recommendations concerning IT governance in FAO, which were accepted by management. Our analysis below builds on that work.

19. Many of these IT committees have no clear Terms of References or have overlapping responsibilities. Some of them have members with deep technical expertise but not enough decision-making power needed to make things happen while others have team members with the required seniority but not the required technical expertise. Furthermore, there are separated committees in charge of the development and the maintenance of IS/IT projects posing two major implications:

    a) The experience learned during the development of an IS/IT solution is lost as its maintenance is shifted under the responsibility of a new committee
    b) It is difficult to forecast workloads and investments needed for the maintenance of IT initiatives

    Overall, the modus operandi of the IT committees appears to be unfocused and does not allow for impact which is needed in order to promote the efficient achievement of the objectives of this important function.

20. We recommend reducing the fragmentation of the IT committees by merging them into one committee (the IS/IT Committee) supported by three sub-committees, the first one in charge of Information Technology and the remaining two of Information Systems (IS), respectively for the knowledge and operations areas. The IS/IT Committee will have an oversight role and will be in charge of the governance. Its secretary will be the Chief Information Officer (CIO), while one of the DDGs could be the Chair. The IS /IT Committee will present its proposals directly to the ELT. The picture below highlights the proposed new structure.

Picture A: Proposed IS/IT landscape
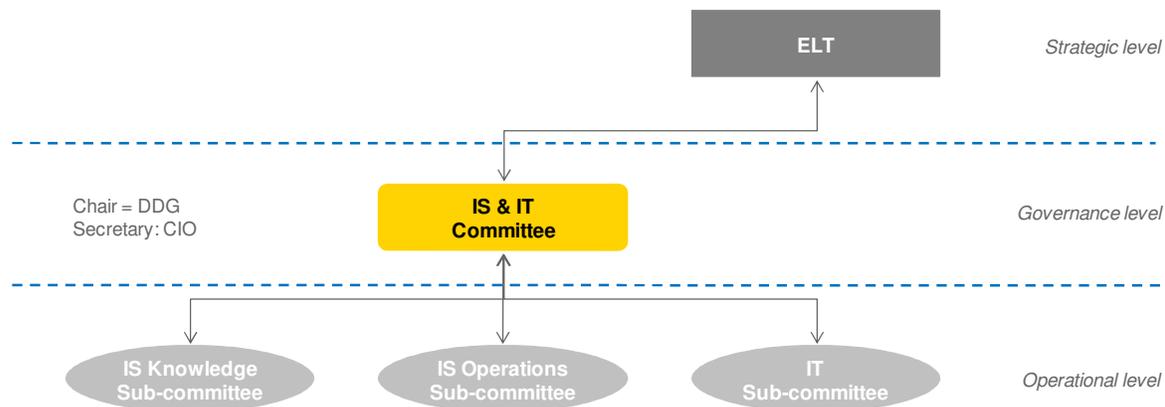
21. By setting up a Human Resources Committee (HRC), empowering it and by applying the principle of subsidiarity, it will be possible to streamline the HR policy development process and, therefore, ensure shorter timelines for the development and endorsement of HR policies and also improve HR management oversight. In fact, with a proposed membership of up to 10 persons and with the Human Resources division (CSH) acting as Secretary to this Committee, the HRC could be the perfect forum for discussing and dealing with HR topics/issues holistically. This approach would not only speed up decision-making in HR matters, but also shift some of the related work load out of the ODG.

Office of Strategy, Planning and Resource Management (OSP)

22. The Office of Strategy, Planning and Resource Management is established as per beginning 2010 under the HQ restructuring project approved by the IPA. The scope of its activities is summarized as follows:
    - Advise on strategic & policy matters related to the Organization's objectives, result-based programs, budgets and resources mobilization
    - Lead the development of policies and procedures on results-based management
    - Coordinate the preparation of FAO strategic, programs and budget plans
    - Monitor and report on programs and budgets implementation

    This scope is on our opinion perfectly adequate to the objectives of this new Office, it being understood that the transfer of the post-allotment financial monitoring function recommended in the Root and Branch review is deferred until late 2011.

Communications and External Relations (OCE)

23. Regarding the Office of Corporate Communication of External Relations (OCE), we fully acknowledge the benefits of having all external relationships managed under the responsibility of one office, as in the new headquarters structure. One entry point for all external relationships will ensure better coordination, coherence and ability to leverage experiences and gains. Partnerships, both with private sector and civil society/NGOs, are a strategic topic for FAO. While partnerships offer great opportunities, on the one hand, they can also pose great risks for the overall organization and need to be holistically and strategically planned and carefully monitored.

We therefore welcome the establishment of the Partnership Committee, which will involve key internal stakeholders in the partnership work, with OCE acting as Secretariat and under the chairmanship of the Director-General.

24. With regard to external communications, even though we understand the importance of developing communication and advocacy strategies in collaboration with partners, we are puzzled by the choice of merging the communication and partnerships offices. After having interviewed employees in the former Office of UN Coordination and MDG Follow-up (UNC) and the former Communication Division (KCI), it is clear that the skill-sets required for the two functions can be quite different. In addition, we have also noticed that in most UN agencies/organizations, comparable for size and overall structure, communication and partnership are not merged into one Office.

25. Another point of concern is that the newly created Office will have a considerable size. The new Office will include (following the merger of ODGS, UNC and KCI) 57 staff under the Regular Programme (33P/D posts and 24 GS) supplemented by limited non-staff resources. In addition, we believe that there could be an improvement in the way FAO communication to the external world is managed.

26. Therefore, FAO could consider alternative business models which could result in a more effective and cost efficient way of managing communication; this could include a greater use of external expertise (outsourcing) which would bring into the organization best practice for communication while at the same time helping to reduce costs via staff reductions and make the entire OCE office easier to manage.

Cabinet's Role in Document Review

27. The Cabinet dedicates a great deal of time to reviewing documents (e.g. official correspondence) requiring the DG signatures which are produced in the departments. When such documents are not properly prepared, the Cabinet staff re-writes them in order to ensure that the form and content are harmonized with the mission and strategy of FAO. As a consequence, the departments often do not feel the ownership of such documents and draft them with the expectation that the Cabinet will review and finalize them. With this in mind, we recommend that some activities be removed from the Cabinet's direct responsibility and shifted back to the Departments. Although templates and instructions on how to prepare such documents are already available, they should be made readily accessible through the Intranet.

Decentralization

28. Decentralization is a critical topic and its effective implementation requires coordinated action across many IPA activities. It is recommended that FAO look carefully at the management of the decentralization process, as the shift to a decentralized business model requires a holistic and strategic approach which goes well beyond the mere transfer of activities from one office to another. It is recommended that a team be set up which is empowered to implement all the necessary steps and that the DDG Operations acts as the sponsor for the decentralization process.

Roadmap

29. For the above suggested initiatives and related activities, a roadmap was built which considers a transition period of 18 months in order to allow the organization to fully embrace the changes. Some of the proposed changes have already been implemented starting from January 2010 and the transformation should be completed by June 2011.

Table C: Roadmap

Initiative	Activity #	Description	Deadline	Comments
1) Set up of the Executive Leadership Team	1	Endorse and communicate terms of references of the Executive Leadership Team	Jan '10	The ELT is already in place and the terms of references are being fine tuned
2) Revision of Advisory Committees	1	Review all existing advisory committees and define if some of them can be eliminated/merged	July '10	
	2	Implement the proposed new approach for the management of IT committees	Oct '10	Following the appointment of the CIO and the development of a procedure detailing the new process
	3	Introduce an HR committee able to guide the development of HR policies and, hence, to speed up their adoption	June '10	This will imply the development of a procedure detailing the new process
3) Revision of administrative activities and related decision-making	1	Implement/communicate the new decision-making maps already agreed in FAO (To Be short term)	June '10	In some specific cases some new suggested procedures have already been adopted
	2	Implement/communicate the new decision-making maps already proposed by EY (To Be long term)	June '11	
4) External communication	1	Perform feasibility study to verify most appropriate business model	June '10	
5) Document revision	1	Refine and communicate templates and work instruction	July '10	
6) Decentralization	1	Perform assessment of current status	March '10	
	2	Set up detailed work-plan	April '10	
7) Monitoring	1	Set up of a sponsor and a team of resources as needed	March '10	
	2	Regularly monitor progresses	June '11	
8) Organizational readiness assessment	1	Initiate a readiness assessment to verify the acceptance of the organization for a second stage of improvements based on the long term To Be recommendations	April '11	
	2	Define a plan of implementation for the second stage of long term recommendations to start within July	June '11	
9) Initiate implementation 2nd Stage	1	Start to implement recommendations for 2nd stage according to readiness of organization	July '11	
10) Quick Wins	1	Adopt and introduce continuously quick wins identified during the review process	ongoing	
11)Change Management	1	Put in place a set of initiatives aiming at facilitating culture change	June '11	

30. All of the proposed changes require careful planning, as they need to be phased over a period of time to enable the FAO to absorb the new processes and structures and play a proactive role in the change. In addition, the initiatives proposed will have to be regularly monitored to ensure that the agreed proposals are implemented effectively and in a timely fashion. For the above mentioned reasons, it is advisable to appoint a senior officer to monitor the proposed transformation.

31. New systems, new processes and new roles & responsibilities are not sufficient to yield improvements in the performance of an organization if they are not supported by adequate change management and if the overall staff is not really supportive of the change. We recommend dedicating careful attention to this aspect. This also provides a rationale to the suggested approach of implementing an initial group of changes immediately, where there is general agreement and acceptance within FAO, and a second set of measures in a successive step, when the overall maturity and acceptance of the organization appears to be ready for them.