

Chair's Aide Mémoire – Seventh Meeting of CoC-IEE WG III
Wednesday 30 April 2008
Ramalingam Parasuram, Chair

Decentralised Structure of FAO

1) Members recalled the results of previous discussions and expressed general agreement with the IEE recommendations, which built on the recommendations of the previous evaluation of FAO's decentralization. The Working Group emphasised the importance of FAO having a strong decentralized presence to provide services flexibly to Members and create an effective flow of information as a knowledge organization. However, they stressed that decentralisation should not proceed further without accompanying budgetary resources and should not impair headquarters capacity. Effective decentralisation should be matched to the needs of individual countries and regions and depended upon properly resourced offices. The structural deficit could not be allowed to continue. Some members felt that steadily improving communications were making it less necessary to have a full FAOR office in all countries and the possibilities for multiple accreditation were increasing. Some members were also of the view that in addition to technical criteria that could determine the need for an office, regional and political dimensions will also have to be taken into consideration. Members thus welcomed Management's intention to undertake a comprehensive review of the offices and looked forward to the early results of that review which should be incorporated in the Immediate Action Plan.

2) The Working Group welcomed Management's decision to transfer the primary reporting line for technical officers in the regional and sub-regional offices to the Regional Representatives. Management noted that this change has implications for the programme model and budget allocation, as the technical departments would cease to be responsible for the budgets. This resource allocation would better permit the regional offices to carry out their expanded planning and implementation responsibilities.

3) The Working Group noted that management had stated its agreement with most of the IEE recommendations but that the detail of its response expressed reservations on several major points. The Working Group thus emphasised full application of the principle of subsidiarity and effective devolution of authority to the regional, sub-regional and country levels, and:

- a) Expressed general support for the ten criteria proposed in the IEE Report for review of existing country presence (see Annex 1);
- b) Stressed the importance of fully integrating the decentralised offices into FAO's decision making processes;
- c) Supported FAORs having their first line of reporting at ADG level and that this should probably be to the Regional Representatives. Members noted that FAORs had matrix lines of reporting for different aspects of their work to TC Department, Technical Departments, etc. but this should not be confused with their primary report (the senior staff member to whom they were ultimately responsible). Many members noted that they knew of no other Organization where staff with responsibilities similar to FAORs all reported to the Chief Executive;
- d) Similarly, emphasised that, FAOR appointments and appraisal should be professional, transparent and follow the same pattern as for other staff. It was agreed that there needed to be coordination to ensure that FAORs and country office staff were

appointed, appraised and transferred applying the same criteria but several members noted that this was in fact the case for all staff of FAO and was not unique to FAORs;

- e) Welcomed Management's agreement to further explore shared representations with other Rome-based agencies, within the UN Resident Coordinator system and with IIACA and emphasised the potential for fully joint representation, noting that this was a measure which could improve effectiveness and was not only a question of cost;
- f) Emphasised maximum use of national expertise. In this regard Management indicated that country offices are exclusively staffed with host country nationals with the exception of the FAOR to reduce costs and capitalise on national expertise and knowledge. It was also noted that many countries are providing support for the FAO Representations including office premises and staff; and
- g) Stressed the importance of the Regional Offices providing an effective secretariat for regional conferences, consulting closely with the Members and following-up on the outcomes of the conferences.

4) The Asia region reiterated its preference to reinforce the regional office in Bangkok rather than creating sub-regional offices. The Near East region requested further clarification on the coverage of the Regional Office and also noted that it should be strengthened (The management agreed to furnish the desired information).

5) The Working Group looked forward to Management's further response following the discussion at the current meeting.

Annex 1

Recommendation 6.22 - New Foundations of FAO Country Offices

The IEE has suggested ten criteria for reviewing existing country offices. The criteria appear to be too many to be used in a cohesive and practical manner. Below is an analysis of the impact of these criteria on the existing FAOR network and of their use for developing scenarios for revised country coverage.

1) UN "Delivering as One" at Country Level as it may present FAO with opportunities for "win-win" consolidations and administrative cost savings. An FAOR could be replaced by a technical specialist in a UN office under the umbrella of the UN Country Coordinator. FAO presence and effectiveness could increase and revised arrangements could yield cost efficiencies, but this would need to be handled on a case-by-case basis as placing FAO staff in UNDP offices and hiring services has in the past often proven to be a more costly option.

The "Delivering as One" initiative is currently taking place in eight countries¹ with different characteristics and different size field programmes. In countries with larger programmes, delivery varies from US\$1.3 to over US\$5 million. The decision to adopt this criterion would have to be on a case by case basis and would require a careful review of the cost implications of UNDP or a joint UN Servicing Unit implementing FAO projects. Lessons learnt from the ongoing "Delivering as One" exercise would also need to be considered.

2) Size of the programme. If the size of a country programme falls below a specified ratio to office costs for more than three years, the office should be transformed into some other lower cost arrangement (e.g. multiple country accreditations, Regional Office coverage). Apply a ratio consistently above 1 to 3 as the benchmark in this regard.

The application of this criterion to existing offices, based on 2007 data, would affect around 25 countries². While for some of these countries the mode of FAO's representation may be reviewed for possible cost savings, the ratio between the cost of the office and the size of the programme can be used as a criterion only in the context of other considerations. For example, the size of the field programme in a specific year is not necessarily related to the needs of the country but depends on many factors including the political situation, man-made or natural calamities, donors' interest and the capacity of staff. Furthermore, field programme delivery is only one of the many functions of an FAO Representation which include policy advice, advocacy and communications, response to emergencies, etc.

3) Size and poverty levels of agriculturally dependent population. The higher the dependence on agriculture and of national poverty levels, the greater the justification for keeping an office.

This is a key criterion and should be used as a starting point for establishing the type and size of FAO presence. Available data could be used, in combination with other criteria.

4) Level of development of countries. Special consideration and criteria should apply to sponsoring and retaining FAOR offices in Least Developed Countries (LDCs) which are likely to be less able to access FAO services via other means.

This criterion is closely linked to the one above and once again it could be used as one of the starting points for the development of scenarios for reviewing FAO's field presence. Currently, FAO has full-fledged Representations in 40 of the 49 LDCs, 8 are covered through multiple accreditation and 1 is not covered.

5) The existence of well-prepared FAO national priority frameworks. These instruments would need to be realistic in setting out what FAO can actually do, taking into account resource adequacy and linked to resource mobilization, as appropriate.

¹ Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay and Viet Nam

² Benin, Central African Republic, Costa Rica, Côte d'Ivoire, Cuba, Dominican Republic, Ecuador, El Salvador, the Gambia, Guinea Bissau, Iran, Jamaica, Lebanon, Madagascar, Morocco, Nepal, Nicaragua, Peru, Senegal, South Africa, Trinidad and Tobago, Togo, Uruguay and Yemen.

The NMTPF preparation process is already taking place in 30 countries. Each country has adopted different approaches and a different pace that take into consideration its specific context. This tool will be progressively adopted in all countries where FAO is present and it will also serve as the entry point in the UNDAF process. Therefore, while this is an important reminder of the need to have a good programming framework in place in countries, it is difficult to see how this can be used as a criterion for selecting countries in which FAO should be present.

6) The relevance of existing technical cooperation projects to FAO's overall strategy and the UNDAF. Consider the merit of retaining an office where activities have been determined by demand or donor-driven, but with no apparent strategy or purpose and where country studies have demonstrated little impact and spill-over effects.

This is closely linked to the previous criterion. An NMTPF is established to identify and agree with the Government on a set of medium-term priorities for FAO support, taking into account the UNDAF, the PRSP and other tools. This framework addresses national agricultural, rural development and food security needs, jointly prioritized with the Government. To achieve the greatest impact, FAO assistance is focused on a limited set of priorities where FAO has a comparative advantage and which have a high probability of funding. Also, the NMTPF is in alignment with country-owned planning instruments and is FAO's contribution to the UNDAF process so that it will be complementary to the work of other partners and to that of United Nations Country Team (UNCT) members. Once again, it is difficult to understand how this could be used as a selection criterion, as this approach will be used in all countries where FAO is present.

7) Ease of servicing the country from a nearby country and the cost-effectiveness of multiple accreditations, especially to smaller, reasonably contiguous countries.

Thirty six countries are currently covered through multiple accreditation from contiguous countries. Depending on the size of the programme in the country, the work of the FAOR is supported by an NPO or by a National Correspondent. An in-depth study could identify further possibilities for expanding multiple accreditation arrangements to countries that currently have a full-fledged Representation, an OTO/FAOR or that are not currently covered by any FAOR. The study should take into consideration, inter alia, factors such as distance, ease of travel and communication, availability of qualified local staff and IT.

8) Potential for agriculture in economic growth

This criterion is rather generic and would require careful analysis to ensure that it can be applied in a meaningful way for reviewing priorities for FAO presence.

9) The potential for major gains through new partnerships: Rather than a single FAO presence at country level, consider partnerships with other organizations, both for technical support and representation needs.

Indeed FAO is already considering the possibility of sharing offices with IFAD in selected countries. Discussions have also been initiated with WFP. The possibility of collaboration with regional organisations such as IICA could also be considered. However, the legal, diplomatic, administrative and political implications of such collaboration should not be underestimated. A more systematic review of opportunities for joint offices should be carried out, particularly in those countries where there is less need for FAO support.

10) Willingness of governments to cover costs of FAO country presence (except for Least Developed Countries).

Many governments are already generously contributing to the costs of FAO Representations either through government counterpart cash contribution (GCCC) or through the provision of in kind contributions such as premises, staff and equipment. However, the contributions do not always have a direct link to the level of development of the countries themselves and

are the result of negotiations of Host Country Agreements that mostly took place in the late 1970's. The willingness of some countries to contribute has been confirmed through the establishment of OTO/FAORs, where the Governments have been covering the full cost of the office with the exception of the FAOR for the last few years. Increased government contributions to the establishment and functioning of FAO Representations through staff and non-staff resources should be encouraged.