

Chair's Aide Mémoire – Fourteenth Meeting of CoC-IEE WG III
Monday 13 October 2008, 09:30-12:30 & 14:00-15:30
Ramalingam Parasuram, Chair

Root & Branch Review (discussion of the Ernst & Young Phase 1 Report on the High Level Business Model and the Management Response)

1) Members' discussions focused on proposals for the organizational structure and the Senior Management Team drawing on the Executive Summary of the first stage of the Root and Branch Review and the Management Response (documents attached). It was emphasized that the Root and Branch Review focuses on FAO's administrative and support services and does not address the technical functions of the Organization. Detailed analysis of human resource, administrative, financial and support service functions will be presented in the second phase report in April 2009. It was agreed that the full Phase 1 report of Ernst and Young would be placed on the CoC-IEE website for consultation by members.

2) **Organizational Structure:** Members considered the apex of the organizational structure proposed by management and agreed in principle with the proposal of an Executive Management Team with two Deputy Directors-General respectively for Operations and Knowledge and the indicative listing of Departments. Changes in the apex organizational structure must be designed to be fully responsive to the issues raised by the Root and Branch Review in the high level business model and be flexibly adjusted during 2009 for implementation in 2010-11, as the functions are further developed in the lower subordinate structures. The recommendations of the Root and Branch Review are expected to have particular implications for the functional organization of corporate services, while the further development of the Strategic Framework and Medium-Term Plan will have implications for the flexible development of the functional structure within the Technical Departments. Both the Medium-Term Plan and the Root and Branch Review may have implications for operational functions.

3) A Member stressed the particular importance of the early establishment of the Office of Corporate Communications, Partnerships and Inter-governmental and Inter-Agency Affairs, scheduled in principle for 2010. In view of the key importance of the functions, the Member did not agree that the fact that the full establishment of this office required movement of resources from other Departments with implications for the 2008-09 Programme of Work and Budget allocations was adequate justification for delay until 2010.

4) **Further clarification of management's responses on the Root and Branch Review:** Members emphasised that a fuller management response was needed to the Phase 1 report of the Root and Branch Review. Equally important to the organizational structure is the development of functional relationships, decision making and communication, together with the underpinning development of human resources. Management was requested to communicate to the Membership, its responses to the headline messages in the Root and Branch Review report and also its priorities, plans and arrangements for further developing its implementation plans.

5) **Costs, savings and resource requirements for implementation of the Immediate Plan of Action (IPA):** Members noted the results of the Finance Committee's deliberations on the resources required for implementation of the IPA and that an extra session of the Finance Committee on this subject was suggested for January 2009. The Finance Committee had

examined the figures for costings and savings and it was emphasised that these were provisional estimates but they were found to be based on sound principles and assumptions. The Working group thus agreed to recommend to the CoC-IEE that the figures be incorporated in the Immediate Plan of Action (IPA) and that a new section be included in the IPA, particularly with respect to trust funding requirements for 2009.