

**Chairs' Aide Mémoire of Joint Meeting of CoC-IEE WG I & WG III**

**Tuesday 26 February 2008, 09.30 – 17.30**

Vic Heard, Chair WG I, and Ramalingam Parasuram, Chair WG III

1) **The Programme and Budget Structure and the Programme and Budget Process** (IEE Recommendations 7.7, 7.1, 7.2, 7.3, 7.4, 7.6 a) and 7.6 c): - to be further considered in Working Group III-. Members noted that management was in agreement with the proposals of the IEE for reform of the Programme and Budget cycle and processes and Members in general supported the changes while posing a large number of questions to broaden their understanding and facilitate further consideration of the proposals in Working Group III. It was also recalled that WG II was awaiting the views of the other Working Groups to confirm its preliminary agreement on the IEE recommendations pertaining to the Governing Body decision making processes on the FAO strategy, programme and budget. In questions and comments:

- a) there was a broad degree of consensus that the date of the Conference and, thus the budget decision should be moved to May/June, and that other Governing Body sessions should shift their timing accordingly. Members indicated that these shifts should facilitate the views of the Technical Committees and the Regional Conferences feeding effectively into the process and that these Committees should provide strengthened guidance on priorities;
- b) there were requests for more information on the type of presentation and degree of detail in the budget of comparators, in particular WHO. Some members considered that the Conference would require a reasonable level of detail on programme priorities and the basis for cost increases to reach a budget decision. At the same time the need to avoid documentation which obscured the possibilities for decision making on priorities through excessive detail was also noted;
- c) the strategic framework longer-term vision and Medium-Term Plan needed to be integrated, and the Medium-Term Plan needed to reflect a realistic budget scenario. The Medium-Term Plan could provide much of the basis for the Conference's budget decision;
- d) the integration of extra-budgetary resources was supported but this should be in line with principles of pool funding as contained in the Paris Declaration. It was also stressed by some members that this should not drive extra-budgetary resources towards normative work and away from direct support at country level; and
- e) results based monitoring was emphasised which should be reported in the Programme Implementation Report.

2) Management was requested to provide more detailed information on proposals for a revised strategic planning, priority setting and programming and budget process and

documentation at the next meeting of WG III. This could usefully provide examples, including of the approach taken by WHO and discuss any cost implications of the proposed organizational changes to bring together FAO strategy development, programming and all forms of overall funds management.

3) **The Evaluation Function** (IEE Recommendation 7.10) – to be further considered in WG III and in WG II with respect to the role of the Governing Bodies : There was general agreement that evaluation has a critical role to play for effective operation, results and transparency of the Organization. Its twin roles of accountability on results and impacts and learning are important for both the Governing Bodies and Management (with accountability being the primary but not only emphasis in the Governing Bodies). It was agreed that the unit responsible for evaluation should be administratively independent to fulfil these functions and that key to this was the transparent conduct of all its processes and:

- a) a dedicated budget for evaluation should be established by the Governing Bodies, perhaps as a separate Chapter in the Programme of Work and Budget;
- b) there should be independence in the selection of evaluators. The selection of the director of evaluation was an important element in this and members noted the need for a suitable level of seniority in the post and transparent selection including for the role of the Council in this process (there was support for the IEE recommendation on limited eligibility for employment elsewhere in FAO and a term limit on the appointment);
- c) there was a range of questions on the best institutional arrangement to balance evaluation's independent role in serving both management and the Governing Bodies (members referred to their experiences with IFAD and WFP). There was general agreement that evaluation should be a separate office with direct lines of communication with both the Governing Bodies and Director-General. The Programme Committee was generally considered to be the most appropriate interface, as now;
- d) while peer review of evaluation standards and practices were important, further information was required to decide on whether a separate committee of experts would be useful to advise the Governing Bodies.

4) **Decentralized Structure of FAO** – to be further considered in Working Group III: Members stressed the importance of FAO's decentralised offices and that the decentralization arrangements needed to be specifically tailored to the needs of individual countries and regions. Many members provided overall support to the IEE recommendations. While others had some reservations they also supported many of the IEE proposals, including the need for greater decentralization of authority and the need for decentralized offices to be much more fully integrated into FAO's decision making processes. The structural budget deficit in country representations was a major issue. Many members spoke in favour of freezing any further transfer of resources from Headquarters to the decentralized offices, pending clarifications and adequacy of budget. In this regard management emphasised that no decentralization had taken place without the explicit agreement of the Governing Bodies.

5) Points made included:

- a) on the merits of consolidating offices through multiple accreditation, joint representation with IFAD and IICA, and the integration of FAO representation into the UN Resident Coordinators office; Greater partnership was generally supported but Representatives of the Latin America and Caribbean region did not generally favour full merger of offices with IICA. Some members, particularly in the Africa region expressed concern about the negative impacts on programme delivery should decentralised offices be closed or downgraded, while many others stressed that the decentralized office structure needed to be cost-effective and supported the IEE proposed criteria in making decisions on arrangements for country coverage;
  - b) for sub-regional offices, it was noted that these were intended to function as technical hubs of professional expertise rather than as a layer of management. Members from Latin America and the Caribbean did not favour closure of country offices and their replacement with additional sub-regional offices. In Asia Members' preliminary judgement was that rather than additional sub-regional offices in the region, the functioning of the existing regional office should be strengthened;
  - c) FAORs were the vital point of interaction between countries and the Organization. Recruitment selection criteria should be clear and the process fully transparent. It was essential for an FAOR representing FAO to have a good knowledge of the Organization and the issues of the country in which they served. There must be a results based assessment system for FAORs and benchmarks for the overall assessment of decentralized office performance; and.
  - d) On the role of Regional Representatives, it was noted that, in addition to the coordinating role presently performed, they should have competencies to undertake planning and implementation of region specific themes and priorities. Noting that WG II is in the process of deliberating on the role of Regional Conferences, it was also agreed that the regional offices should be in a position to address issues prioritised by the Regional Conferences.
- 6) Members requested information from the management for consideration at the meeting of WG III on 19 March, on the current status (as distinct from plans) in the implementation of the recommendations of the Decentralization Evaluation, the Director-General's reforms and with respect to the findings and recommendations of the IEE. Members also requested to receive the views of the Director-General on the future of Decentralization including suitable delegation of authority to Regional Representatives and FAORs and noted that much of the decision making for this lay within his authority.

# Programme and Budget Structure and Process in FAO

Office of Programme, Budget and Evaluation

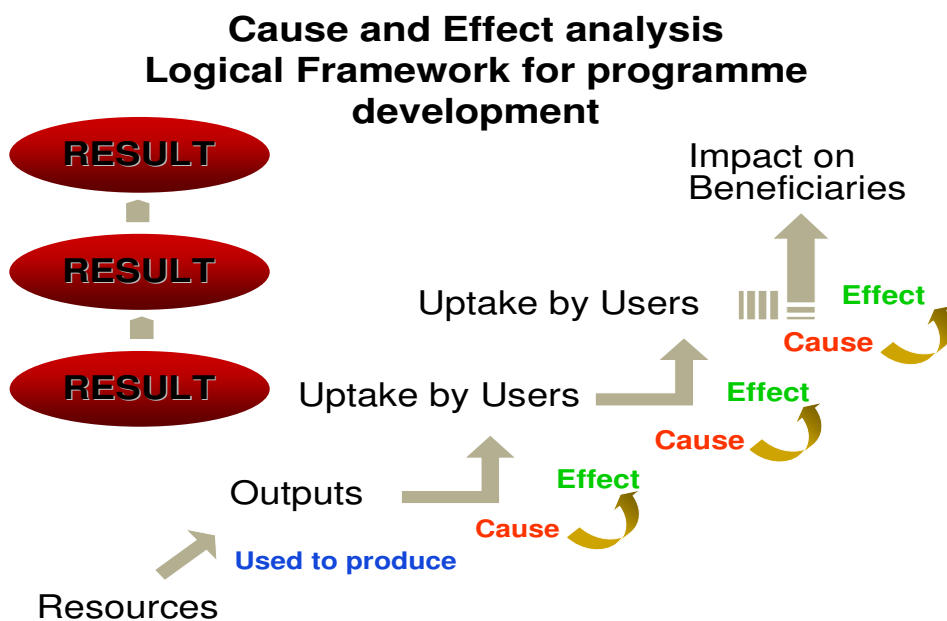
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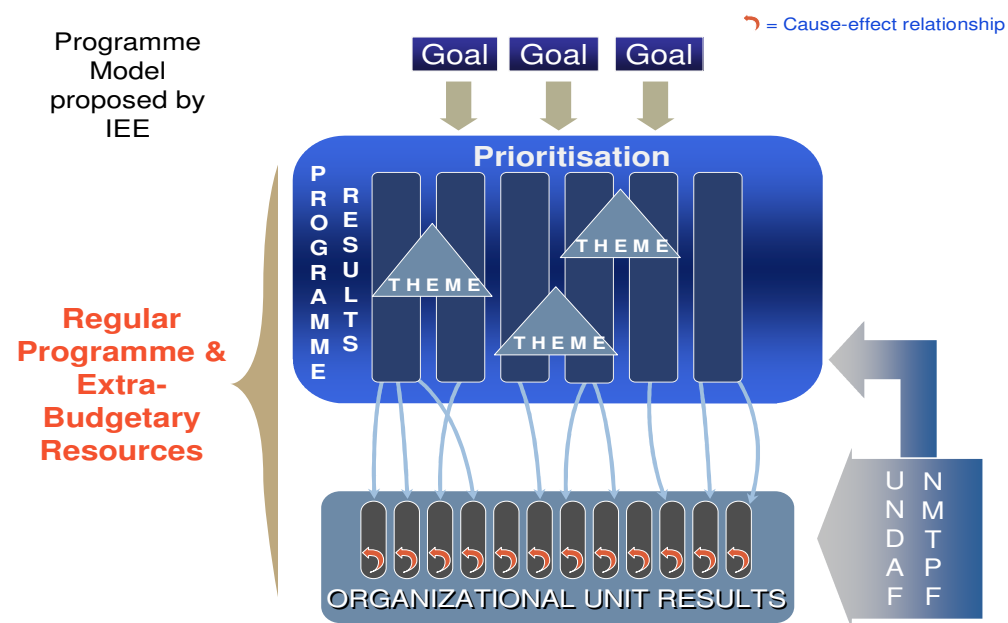
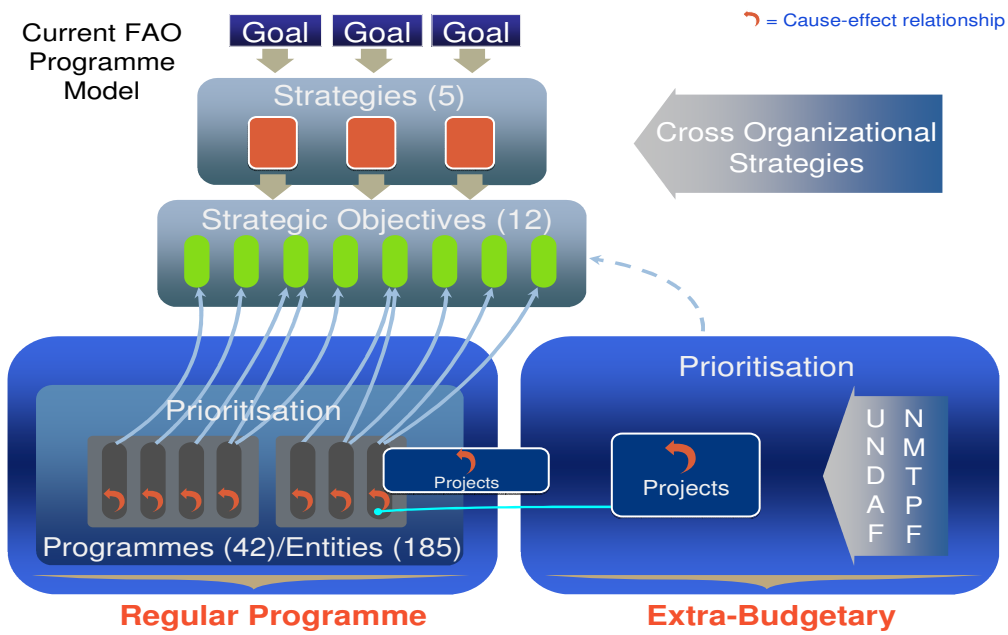
## Outline

- Management view
- Current FAO programme model
- Programme model proposed by IEE
- Current FAO biennial planning cycle
- Implications of IEE recommendations on planning cycle
- Summary

## Management View

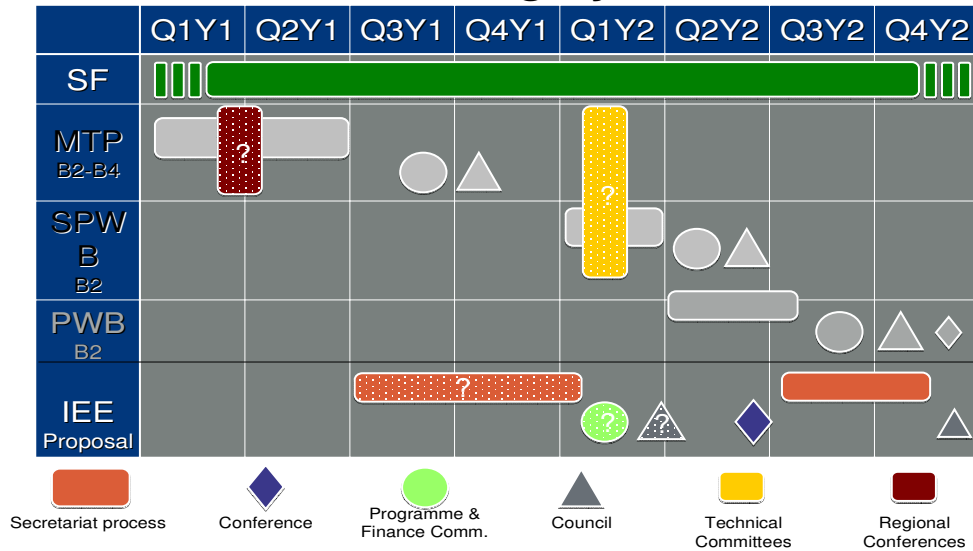
- Agree with main issues
- Recommendations shared responsibility of Members (Governance) and Secretariat
- Generally agree with recommendations 7.1, 7.2, 7.3 and 7.6
- Role of Members and Secretariat
  - o Members provide vision, priorities, resources
  - o Secretariat specifies results, indicators of performance, resource requirements







## Implications of IEE Recommendations on Planning Cycle



## Issues and challenges

- **Issues/Challenges:**
- Maintain clear results hierarchy in programme model
  - Relationship of Priority Themes & Programme Objectives
  - Clear means-ends relationships
- Rationalization of planning processes
  - Linked to progress on Governance reforms
  - Development of Programme of Work – timing (note above comment on comparable organizations)
- Instilling a culture of results
  - Senior Management commitment & institutional investment essential